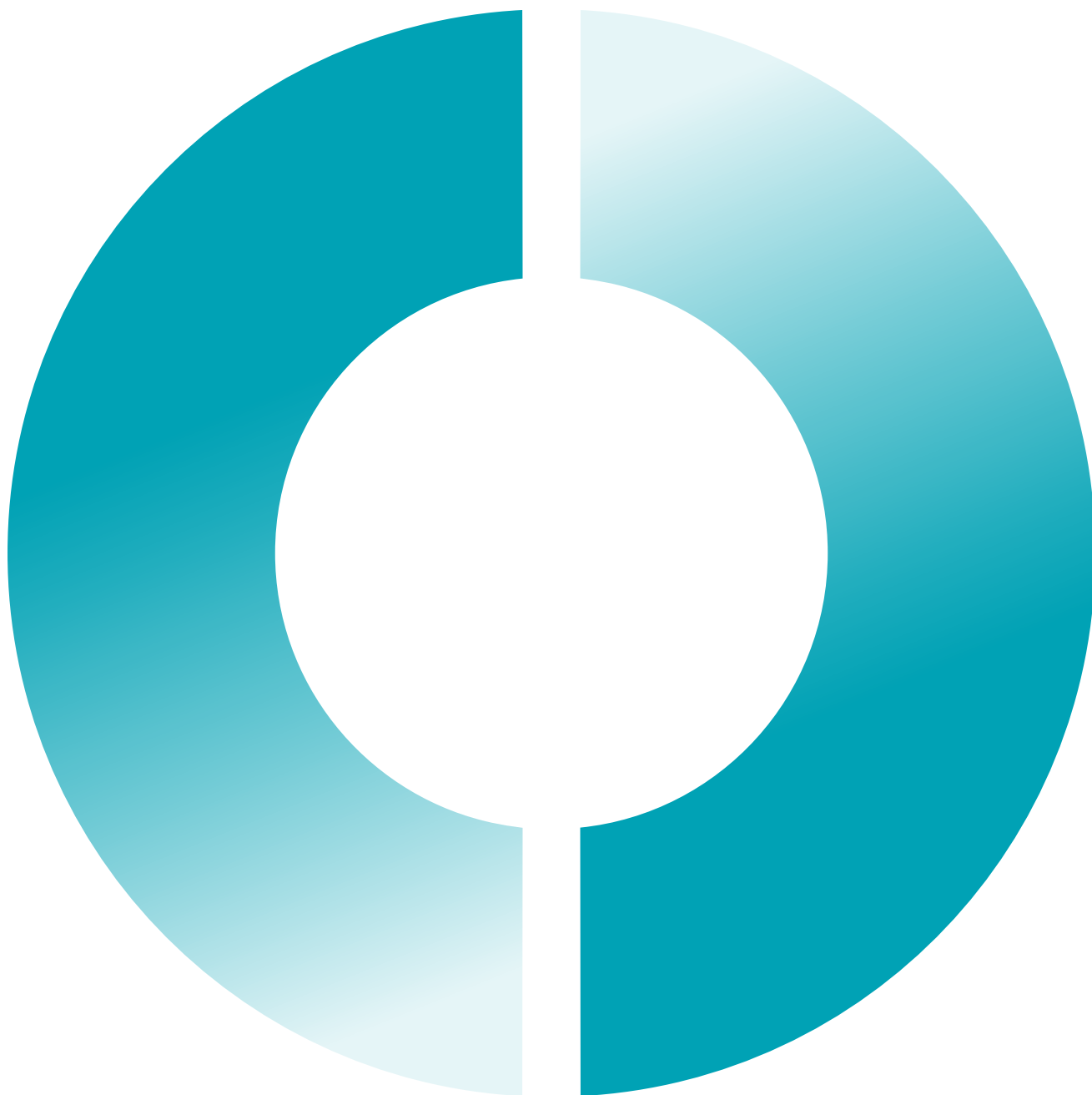


# Schroders Unit Trusts Limited

Prospectus

22 December 2025



Schroders Unit Trusts Limited  
Non-UCITS Retail Authorised Unit Trusts

# Prospectus

22 December 2025

1 London Wall Place  
London EC2Y 5AU  
Internet Site: <http://www.schroders.co.uk>

## About this document

This is the prospectus for some of the unit trusts managed by Schroder Unit Trusts Limited. It describes and governs many aspects of investing into those unit trusts which we refer to in this document as 'Funds'. It is valid as at 22 December 2025.

This prospectus may be updated when needed. You should check that you are reading the most recently published prospectus as you are not able to rely on an out-of-date version. Please check our website at <https://www.schroders.com/en-gb/uk/individual/fund-centre/#/fund/search/filter> for the latest prospectus.

We are responsible for this prospectus and take care to ensure that the information contained in it is accurate on the date of publication.

We have also taken care to make this document more accessible to investors who are not investment professionals. However, it is a legal document and some of the concepts in it are complex. We have explained some of the commonly used terms in the Glossary of terms in **Appendix 9**.

If you have any questions about this document then do contact us by any of the methods set out at the bottom of this page. We also prepare key investor information documents (KIIDs) which provide you with key information about each Fund and may help you to understand the nature and the risks of investing. You can find the KIIDs by clicking on this link <https://www.schroders.com/en-gb/uk/individual/fund-centre/#/fund/search/filter>.

If you are considering investing but are uncertain about any aspect, you should consult a financial adviser. If you do not have a financial adviser but would like to find one, please visit [www.unbiased.co.uk](http://www.unbiased.co.uk) which is a directory of independent financial advisers.

Each year, we review each of the Funds to determine if they continue to provide fair value for investors and we produce a report of our findings. You can find these reports (known as the Assessment of Value Reports) at <https://www.schroders.com/en-gb/uk/individual/funds-and-strategies/charges/schroders-assessment-of-value-reports/>.

The rest of this section sets out a summary of the key features of the Funds in a question and answer format and some details of how to navigate this document.

This prospectus has been prepared in accordance with the rules of our regulator – the Financial Conduct Authority (FCA).

### A quick note about terms we use

To keep this document simple, we have tried to avoid complicated terms.

We therefore generally refer to ourselves as 'Schroders' and may use the phrases 'we', 'us' or 'our' when referring to Schroders.

### How to contact us:

You can get in touch by any of the following methods:

By phone: **0800 182 2339**

By clicking on [www.schroders.com/en-gb/uk](https://www.schroders.com/en-gb/uk)

In writing to: **Schroders Investor Services,  
FREEPOST, PO BOX 1402, SUNDERLAND, SR43 4AF**

## Questions and answers

### What is a unit trust?

Each of the Funds described in this prospectus take the form of a unit trust. A unit trust is a type of fund set up in which investors can invest their money together with other investors. The money invested is managed by a professional manager – in this case Schroders. Investors receive ‘units’ in the fund which represent the value of their investment.

In addition, each Fund is authorised as a ‘Non-UCITS retail scheme’ (a NURS) and categorised as a ‘UK alternative investment fund’ (an AIF) for the purposes of the Regulations. A NURS can invest in a wider range of investments and has slightly less restricted borrowing powers than a UCITS fund.

Details of all the Funds can be found in Appendix 1. The investment and borrowing powers (the types of assets in which the Funds can invest and the extent of their investments) relevant to each Fund are set out in Appendix 2

### Who manages the Funds and who else is involved?

Schroders is responsible for the overall management of the Funds and is authorised to do so by our regulator, the FCA. This means we carry out the day-to-day management of the Funds and are your main point of contact.

We have appointed the following service providers to help us:

<b>Trustee</b>	J.P. Morgan Europe Limited	The trustee looks after the assets of the Funds so that they are kept separate from our assets and those of its other clients. They also oversee us and make sure we manage the Funds in accordance with the rules and the documents which establish the Funds.
<b>Fund administrator and fund accountant</b>	J.P. Morgan Chase Bank N.A.,	The fund administrator and accountant looks after the administration of the Funds, which includes fund accounting, valuation and pricing.
<b>Transfer agent</b>	HSBC Bank plc	The transfer agent provides us with record keeping services, including assisting us with maintaining the register of investors for the Funds.
<b>Investment managers</b>	Schroder Investment Management Limited Schroder & Co. Limited	<p>The investment managers carry out the investment management of the Funds in accordance with the investment objectives and policy of each Fund.</p> <p>We, and each of the investment managers, are subsidiary companies of Schroders plc.</p> <p>The relevant investment manager and, where relevant, any sub-investment manager for each Fund is named in the entry for that Fund in <b>Appendix 1</b>.</p>

You can find further details on who the service providers are, their contact details and their roles in **Section 2** of this prospectus.

### What are the risks of investing in the Funds?

Any investment involves risk. In addition to the general risks of investing described in **Appendix 3**, it's important that you consider the risks that are most relevant to a particular Fund before you decide to invest. The most relevant risks for each Fund are listed in the ‘Fund Characteristics’ section for that Fund found in **Appendix 1**, with more details of each risk given in **Appendix 3**.

### How can I invest?

You can invest on any day that is a Dealing Day. The Funds are usually open for dealing on any day which is a Business Day. You will need to send us an application form together with your payment for Units in the Fund in which you want to invest.

Full details on how to invest can be found in **Section 3** including details of the time by which you need to submit your request to buy Units.

You can find the application forms at <https://www.schroders.com/en-gb/uk/individual/funds-and-strategies/how-to-invest-with-us/application-forms/>.

### How can I sell my investment?

You can sell some or all of your investment on any day that is a Dealing Day by sending us a redemption request. The Funds are usually open for dealing on any day which is a Business Day. If you are only selling some of your investment you may need to keep a minimum level invested with us. Details of the minimum investment amounts are set out on a Fund by Fund basis in **Appendix 1**.

All the details on how to sell your investment including details of the time by which you need to submit your request to sell Units can be found in **Section 3**.

### How can I switch or transfer my investment?

All the details of how you can switch your Units between different Schroder Funds or transfer your Units to another investor are set out in **Section 3**.

### What about charges?

There are various charges made for investing in the Funds including for the services Schroders provide in managing the Funds. Details of all the charges made can be found in **Section 5**.

### Where can I get more information?

You can get more information by:

Going to our website at <http://www.schroders.com/en-gb/uk> or

Calling us on 0800 182 2399 or

Writing to us at Schroders Investor Services, FREEPOST, PO BOX 1402, SUNDERLAND, SR43 4AF

### How can I complain?

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You can complain to us at:	Head of Investor Services Schroders PO Box 1402 Sunderland SR43 4AF
	Our complaints policy can be obtained from the address above or on 0800 182 2400

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You may also have the right to refer the complaint directly to the Financial Ombudsman Service at:	Financial Ombudsman Service Exchange Tower London E14 9SR <a href="http://www.financial-ombudsman.org.uk">www.financial-ombudsman.org.uk</a>
	A statement of compensation rights can be found at <a href="http://www.fscs.org.uk/">www.fscs.org.uk/</a> .

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## Funds covered by this prospectus

This prospectus relates to the following Funds:

Fund	Date Authorised	FCA Product Reference Number
Schroder Alternative Portfolio	20/07/2023	1000163
Schroder Active Asset Allocation Portfolio	31/07/2025	1040060
Schroder Countrywide Managed Balanced Fund	06/05/2020	925770
Schroder Diversified Growth Fund	14/11/2008	488714
Schroder Monthly Income Fund	13/03/2012	577112
Schroder Moorgate I Fund <sup>1</sup>	04/06/2013	598545
Schroder Scottish Friendly Managed Fund	05/09/2023	1002329
Schroder Worldwide Corporate Bond Portfolio	30/07/2025	1039988
Schroder Sustainable Future Multi-Asset Fund <sup>2</sup>	08/04/2008	478531
Schroder MPS Emerging Markets Equity Portfolio	21/10/2025	1044723
Schroder MPS Europe ex UK Equity Portfolio	21/10/2025	1044724
Schroder MPS Japan Equity Portfolio	21/10/2025	1044725
Schroder MPS North America Equity Portfolio	21/10/2025	1044726
Schroder MPS UK Equity Portfolio	21/10/2025	1044727
SUTL Cazenove GBP Balanced Fund	02/08/2018	811632
SUTL Cazenove GBP Cautious Fund	21/12/2020	941594
SUTL Cazenove GBP Equity Focus Fund	21/12/2020	941595
SUTL Cazenove GBP Growth Fund	02/08/2018	811642
SUTL Cazenove Sustainable Balanced Fund	09/02/2022	969532
SUTL Cazenove Sustainable Growth Fund	21/12/2020	941596
Multi-Manager Funds		
Schroder Income Portfolio	22/11/2010	529355
Schroder MM Diversity Fund	03/05/2002	200076
Schroder UK Multi-Cap Income Fund <sup>3</sup>	03/05/2002	200077

All Funds have been authorised by the FCA.  
Valid as at (and dated): 26 November 2025

<sup>1</sup> This Fund is in wind-up and is no longer available for investment. Please contact the Manager if you require further details of this Fund.

<sup>2</sup> With effect from 01/04/2022, Schroder Dynamic Multi Asset Fund changed its name to Schroder Sustainable Future Multi-Asset Fund and changed its investment objective and policy.

<sup>3</sup> Schroder UK Multi-Cap Income Fund was liquidated on 12 December 2025 and is now in wind-up

# Contents

<b>About this document</b>	<b>3</b>
<b>Questions and answers</b>	<b>4</b>
<b>Funds covered by this prospectus</b>	<b>6</b>
<b>Section 1 Overview of the Funds</b>	<b>10</b>
A. About the Funds	10
B. About the Units	10
C. The value of your investment	10
D. Who are the Funds aimed at	10
E. Classes of Units	10
F. Currency Unit classes	11
G. Available Unit classes	11
H. Currency hedged Unit classes	11
<b>Section 2 1. Management, administration and oversight</b>	<b>12</b>
1.1. Manager	12
1.2. Investment Management	12
1.3. Trustee and Custodian	12
1.4. Administrator	13
1.5. Customer Enquiries	13
1.6. Auditor	13
1.7. Register of Unitholders	13
<b>Section 3 1. Buying, selling and exchanging Units</b>	<b>14</b>
1.1. When and how	14
1.2. Buying Units	14
1.3. Conditions	14
1.4. Confirmation and documentation you will receive	14
1.5. When you need to pay	14
1.6. Paying for Units with assets	15
1.7. What happens if you change your mind	15
1.8. Selling back (redeeming) Units	15
1.9. Confirmation and documentation you will receive	15
1.10. Selling back (redeeming) Units for assets	15
1.11. How to exchange Units	15
1.12. Our powers to restrict buying, selling and exchanging Units	16
1.13. Suspension of dealing	17
1.14. We will deal as 'principal'	17
1.15. Market timing policy, late trading policy and fair value pricing	17
1.16. Other information about dealing	17
<b>Section 4 1. Valuing and pricing the Funds</b>	<b>21</b>
1.1. General	21
1.2. Basis of valuation	21

	1.3. Special valuations .....	21
	1.4. Fair value pricing .....	21
	1.5. Publication of prices .....	21
<b>Section 5</b>	<b>Fees and expenses .....</b>	<b>22</b>
	A. General .....	22
	B. Initial charge .....	22
	C. Redemption charge .....	22
	D. Switching .....	22
	E. Schroders Annual Charge .....	22
	F. Costs and expenses included in the Schroders Annual Charge .....	22
	G. Discounts to the Schroders Annual Charge .....	23
	H. Other Expenses .....	23
	I. Exemption from Liability to Account for Profits .....	24
<b>Section 6</b>	<b>Taxation .....</b>	<b>25</b>
<b>Section 7</b>	<b>1. Future changes, investor engagement and Fund closure .....</b>	<b>27</b>
	1.1. Changes to a Fund .....	27
	1.2. Unitholder meetings .....	27
	1.3. Wind-up of a Fund .....	27
<b>Section 8</b>	<b>1. Accounting and reporting .....</b>	<b>29</b>
	1.1. Reporting, distributions and accounting dates .....	29
<b>Section 9</b>	<b>1. Regulatory, policies and procedures .....</b>	<b>30</b>
	1.1. Voting strategy .....	30
	1.2. Best Execution .....	30
	1.3. Money Laundering .....	30
	1.4. Non-UK Unitholders .....	30
	1.5. Genuine Diversity of Ownership Condition .....	31
	1.6. Data Protection .....	31
	1.7. Acceptable Minor Non-Monetary Benefits .....	31
	1.8. Benchmark Regulation .....	32
	1.9. Notices .....	32
	1.10. Potential Conflicts of Interest .....	32
	1.11. Professional liability risk .....	32
	1.12. Fair treatment .....	32
<b>Section 10</b>	<b>1. General information .....</b>	<b>34</b>
	1.1. Literature request .....	34
	1.2. Legal implications of investing in a Fund and governing law .....	34
<b>Appendix 1</b>	<b>Fund details .....</b>	<b>35</b>
	General .....	35
	Schroder Alternative Portfolio (PRN 1000163) .....	36
	Schroder Active Asset Allocation Portfolio .....	38
	Schroder Countrywide Managed Balanced Fund (PRN 925770) .....	40



Schroder Diversified Growth Fund (PRN 488714)	42
Schroder Monthly Income Fund (PRN 577112)	45
Schroder Scottish Friendly Managed Fund (PRN 1002329)	47
Schroder Worldwide Corporate Bond Portfolio	49
Schroder Sustainable Future Multi-Asset Fund (PRN 478531)	51
SUTL Cazenove GBP Balanced Fund (PRN 811632)	62
SUTL Cazenove GBP Cautious Fund (PRN 941594)	64
SUTL Cazenove GBP Equity Focus Fund (PRN 941595)	66
SUTL Cazenove GBP Growth Fund (PRN 811642)	68
SUTL Cazenove Sustainable Balanced Fund (PRN 969532)	70
SUTL Cazenove Sustainable Growth Fund (PRN 941596)	82
Multi-Manager Funds	93
Schroder Income Portfolio (PRN 529355)	93
Schroder MM Diversity Fund (PRN 200076)	95
Schroder UK Multi-Cap Income Fund (PRN 200077)	97
Managed Portfolio Service Funds	99
Schroder MPS Emerging Markets Equity Portfolio (PRN 1044723)	99
Schroder MPS Europe Ex UK Equity Portfolio (PRN 1044724)	101
Schroder MPS Japan Equity Portfolio (PRN 1044725)	103
Schroder MPS North America Equity Portfolio (PRN 1044726)	105
Schroder MPS UK Equity Portfolio (PRN 1044727)	107
<b>Appendix 2 Investment and borrowing powers of the Funds</b>	<b>109</b>
Summary investment and borrowing powers table	109
<b>Appendix 3 Risks of Investment</b>	<b>118</b>
<b>Appendix 4 Eligibility Markets List</b>	<b>122</b>
<b>Appendix 5 Determination of Net Asset Value</b>	<b>124</b>
Calculation of Mid Market Value	124
<b>Appendix 6 Other collective investment schemes managed by us</b>	<b>126</b>
<b>Appendix 7 Performance details</b>	<b>129</b>
<b>Appendix 8 Other information</b>	<b>133</b>
<b>Appendix 9 Glossary of terms</b>	<b>145</b>

## Section 1 Overview of the Funds

**This section explains how the Funds are structured and provides a summary of some of their key features.**

### A. About the Funds

Funds are a way of combining your money with that of other investors to buy a wider range of investments in order to spread your risk. Funds are also a way to gain cost-effective access to the services of a professional fund manager.

The available Funds are set out in **Appendix 1** where you can find specific information about each one. New Funds can be added from time to time with agreement of the trustee. On the introduction of any new Fund, a revised prospectus will be prepared setting out the details of the Fund.

The Funds are managed by us, Schroder Unit Trusts Limited.

The Funds have an unlimited duration.

Each Fund has a specific aim and investment approach and may therefore hold a different mix of investments to achieve that aim. The Funds invest in different investments, in different proportions, as reflected in each Fund's investment objective and policy and relevant investment restrictions. A Fund's investments may change over time due to investment opportunities and changes in market conditions.

The Funds are UK Non-UCITS retail schemes. In addition, the Funds are also categorised as UK AIFs for the purposes of the Regulations. This means they follow a specific set of rules (originally set out in an EU directive known as 'AIFMD' and associated EU regulations) designed to prevent market instability and to protect consumers. A number of these rules relate to the administration of the Funds and how we manage them.

### B. About the Units

Each Fund is a kind of trust known as an authorised unit trust. They are 'open-ended', meaning more Units are created as people invest and Units are cancelled as people take out their money.

The number of Units that you hold in a Fund will represent your ownership of the Fund. Units come in different classes that have different characteristics, eligibility criteria, and fees. This is explained in more detail below in **Paragraph E**.

Units in the Funds are not listed on any investment exchange.

The nature of the right represented by Units is that of a beneficial interest under a trust. This means that while the assets in the Fund(s) in which you invest are held in the name of the trustee to ensure they are kept safe (you can read more about this in **Section 2**), you have the right to receive the benefits arising from those assets.

### C. The value of your investment

The value of each Fund is directly related to the value of its investments. There is a specific method for valuing each type of investment that a Fund holds. Details of how the Funds are valued are set out in **Appendix 5**.

The value of a Fund's investments, and the value of your Units, can go down as well as up. The amount you invest represents the maximum potential loss from your investment. You are not responsible for any liabilities of the Funds you invest in.

### D. Who are the Funds aimed at

Units in the Funds can be sold to consumers, institutions and investment professionals. The Funds are designed to meet a wide range of investment needs and different appetites for risk. However, in **Appendix 1** we describe the characteristics of a 'typical investor' for each Fund – this includes, for example, the amount of time you should be prepared to invest for. If you do not fit the description of a typical investor, then the Fund may not meet your needs.

In accordance with the Regulations, we are required to categorise each of our customers. Unitholders in the Funds are treated as retail clients unless we agree otherwise with them. If, at the point you purchased Units, we categorised you as a professional client or eligible counterparty, then we will continue to treat you in accordance with that categorisation, although you may request that we re-categorise you as a retail client.

We provide details of the types of investor each Fund is designed for in **Appendix 1**

### E. Classes of Units

Units are provided in different classes, which have different attributes. The details of the classes of Units presently available for each Fund, including details of their criteria for eligibility and their fees, are set out in **Appendix 1** and **Paragraph G**.

Classes of Unit may be established from time to time by us with the agreement of the trustee. On the introduction of any new class, a revised prospectus will be prepared setting out the details of each class.

The currency in which the assets of each Fund are valued (the 'Base Currency') is set out in this prospectus in **Appendix 1**.

Holders of 'Income' Units are entitled to be paid the income arising on such Units on any relevant interim and annual accounting dates.

Holders of 'Accumulation' Units are not entitled to be paid the income arising on such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an Accumulation Unit which will increase and be higher than the value of Income Units.

Unitholders are generally entitled (subject to certain restrictions, in particular as regards meeting the eligibility criteria) to convert all or part of their Units of a class within a Fund for Units of another class within the same Fund, where available, or to switch them for Units of any class within a different Schroder Fund.

Details of accounting dates can be found in **Appendix 1**

Details of these conversion and switching facilities and the restrictions are set out in **paragraph K in Section 3**

## F. Currency Unit classes

Where a Unit class is denominated in a currency which is not the Base Currency, distributions paid on Units of that class will be in the currency of that class. Where it is

necessary to convert one currency into another, conversions will be made at a rate of exchange decided by us as being a rate that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

## G. Available Unit classes

As well as the criteria set out in the table below, investors must meet the relevant minimum initial investment level to be eligible to invest in a particular Unit class. The minimum levels for each class are set out in **Appendix 1** on a Fund by Fund basis. For most ordinary individual investors (retail investors), the Z classes are likely to be most appropriate. However, investors should always make an informed decision on which class will best suit their individual circumstances and goals.

Not all Unit classes listed below will be available for all Funds.

Unit classes	Eligibility criteria
A, A (Hedged) Units	Available to all investors at Schroders' discretion
I, I (Hedged) Units	Available to institutional investors at Schroders' discretion. Legal agreement setting out terms of investment required
H Units	Available to distributors. Legal agreement setting out terms of investment required
K1, K2, K3, K4, K5, K6, K7, K8 and K9 Units	Available to distributors. Legal agreement setting out terms of investment required
L, L (Hedged)	Available to large distributors at Schroders' discretion. Legal agreement setting out terms of investment required
Q, Q (Hedged), Q1, Q2, Q3, Q4, Q5, Q6, Q7, Q8, Q9 Units	Legal agreement setting out terms of investment required
S Units	Available to clients of the Schroders group wealth management business, Schroders' UK staff and their immediate family. Legal agreement setting out terms of investment required (for clients of the Schroders group wealth management business)
T Units	Available to all investors at Schroders' discretion
X Units	Available to all investors. Management fee payable directly to Schroders; legal agreement setting out terms of investment required
Z, Z (Hedged) Units	Available to all investors

## H. Currency hedged Unit classes

GBP and Euro hedged Unit classes may be available for some Funds – see **Appendix 1** for the Funds where hedged Unit classes are available. Hedged Unit classes allow us to use currency hedging transactions to seek to minimise the effect of exchange rate fluctuations between the Base Currency of a Fund and the Portfolio Currency of the investments in that Fund. Currency hedging transactions include entering into over-the-counter currency forward contracts and foreign exchange agreements.

The effects of hedging will be reflected in the Net Asset Value of the relevant Fund and, therefore, in the performance of the relevant hedged Unit class. The cost and expenses associated with the hedging transactions in

respect of the hedged Unit class(es) and any benefits of the hedging transactions will accrue to Unitholders in that hedged Unit class only.

We try to hedge the whole of the Net Asset Value of a currency Unit class but sometimes this may not be possible as making small and frequent transactions is costly for the relevant Fund. There may, therefore, be times when the hedged Unit class is not fully hedged.

The management of the currency exposure of any currency hedged Unit classes may be delegated by us to the investment managers, who may sub-delegate such function as appropriate.

The nature of the risks that hedging transactions may involve are set out in **Appendix 3**.

## Section 2

### 1. Management, administration and oversight

**This section explains the parties involved in the day to day running of the Funds and the roles they play.**

#### 1.1. Manager

We (Schroder Unit Trusts Limited) are the manager of the Funds. We are also referred to as the 'authorised investment fund manager' under the Regulations. Schroders is a limited company that was incorporated on 2 April 2001 in England and was authorised by the FCA with effect from December 2001 (FRN:197288).

Our ultimate holding company is Schroders plc, a company incorporated in England and Wales.

Our registered office is at 1 London Wall Place, London EC2Y 5AU. Our issued and paid-up share capital as at the date of this prospectus is £9,000,001.

#### Directors (as at 26 November 2025)

Howard Williams – Chair	Calum Thomson
Paul Truscott	Ravinder Singh Lamba
Stephen Reedy	
Philip Middleton	

The directors are involved in other business activities, but these are not significant to the business of the Funds.

#### Delegations

We are responsible for managing and administering the affairs of each Fund in accordance with the Regulations and the AIFMD Rules.

We are responsible for the investment management function in respect of the Funds, which includes portfolio management and risk management. We will also provide, or organise, administrative, accounting, consultancy, advisory, secretarial and general management services needed to manage the Funds and to enable them to be operated in accordance with relevant laws and rules.

We can delegate certain functions and details of the delegations we have made are set out in the following paragraphs.

#### 1.2. Investment Management

We have delegated investment management of each of the Funds to one of the investment managers set out below. Details of which investment manager is appointed for a Fund are set out in **Appendix 1**.

Schroder Investment Management Limited	Schroder Investment Management Limited is a company incorporated in England and Wales, whose registered office and principal place of business is at 1 London Wall Place, London, EC2Y 5AU. Schroder Investment Management Limited is authorised and regulated by the Financial Conduct Authority.
Schroder & Co. Limited	Schroder & Co. Limited is a company incorporated in England and Wales, whose registered office and principal place of business is at 1 London Wall Place, London, EC2Y 5AU. Schroder & Co. Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

The appointment of the investment managers has been made under an agreement between us and each investment manager. Each of the investment managers has full discretionary powers over the investment of the property of the Funds subject to our overall responsibility and right of veto. The agreement between us and each investment manager is terminable on giving two months' notice by either party thereto; without notice in the event of a material breach for a certain period of time (30 days or more by the other party under the agreement with Schroder Investment Management Limited; 30 days or more under the agreement with Schroder & Co. Limited); and in certain insolvency or similar events. The agreement may also be terminated with immediate effect when this is in the interests of Unitholders.

The principal activities of the investment managers are fund management and investment advice. The investment managers are authorised to deal in investments on behalf of the Funds. Each of the investment managers is paid for its services as agreed between us and the investment managers.

An investment manager may, with our approval, appoint sub-investment manager(s) to assist them. The fees payable to a sub-investment manager will be paid by the relevant investment manager.

#### 1.3. Trustee and Custodian

The trustee for all Funds is J.P. Morgan Europe Limited, a company limited by shares, incorporated in England and Wales on 18 September 1968. Its registered office is at 25 Bank Street, Canary Wharf, London E14 5JP and its principal place of business is at Chaseside, Bournemouth BH7 7DA. The ultimate holding company of the trustee is JPMorgan Chase & Co which is incorporated in Delaware, USA.

The trustee is responsible for the safekeeping of all custodial assets and verifying ownership and maintaining a record of all other assets of the Funds in accordance with the Regulations. The trustee must ensure that each Fund's cash flows are properly monitored and that cash

of the Fund is booked in compliance with the Regulations. The trustee is responsible for carrying out oversight of certain functions of Schroders.

The trustee regularly provides Schroders with a complete inventory of all assets of the Funds.

The trustee may, subject to certain conditions and in order to more efficiently conduct its duties, delegate part or all of its safekeeping duties over a Fund's assets including but not limited to holding assets in custody or, where assets are of such a nature that they cannot be held in custody, verification of the ownership of those assets as well as record-keeping for those assets, to one or more third-party delegates appointed by the depositary from time to time.

The trustee has appointed JPMorgan Chase Bank, N.A., London Branch as the custodian of the assets of the Funds (the custodian). In certain markets the custodian may in turn have delegated custody to sub-delegates. The liability of the trustee shall not be affected by the fact that it has entrusted all or some of a Fund's assets in its safekeeping to such third-party delegates. A list of the third-party delegates appointed by the trustee can be found in **Appendix 8**.

The trustee shall exercise due skill, care and diligence in choosing and appointing the third-party delegates and in the periodic review and ongoing monitoring of any such third-party delegates and of the arrangements of the third party in respect of the matters delegated to it.

The liability of the trustee shall not be affected by the fact that it has entrusted all or some of a Fund's assets in its safekeeping to such third-party delegates.

In the case of a loss of a financial instrument held in custody, the trustee shall return a financial instrument of an identical type or the corresponding amount to a Fund without undue delay, except if such loss results from an external event beyond the trustee's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The trustee and the custodian are paid for their services to the Funds – please see **Section 5 – Fees and Expenses** for more details on fees and expenses.

### Regulatory Status

The principal business activity of the trustee is acting as depositary and trustee of collective investment schemes. The trustee is authorised and regulated by the Financial Conduct Authority (FCA).

### Terms of Appointment

The trustee provides its services under the terms of a trust deed between Schroders and the trustee (the trust deed). The trustee's appointment may be terminated by 60 days' notice given by either Schroders or the trustee, provided that in the event of any such termination Schroders shall use its best endeavours to find a duly qualified replacement for the trustee, until which time the trustee shall continue as trustee and the effective date of termination shall be extended accordingly. If no such person has been appointed to replace the trustee within 60 days of the date of such notice, Schroders must either redeem all the Units or appoint a liquidator to wind up

the relevant Fund(s) in accordance with the provisions of its trust deed and the Regulations. Subject to the Regulations, the trustee has full power to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as trustee.

The trust deed provides that the trustee is authorised to be reimbursed out of the property of the relevant Fund for all expenses properly incurred by the trustee in connection with the trusteeship of the Fund in performing or arranging for the performance of the functions conferred upon it by the Regulations or by general law, and for which it may be reimbursed in accordance with the Regulations. Please **Section 5 – Charges and Expenses** for more details on the fees, charges and expenses payable to the trustee.

### 1.4. Administrator

We have delegated the functions of fund accounting services and valuation and pricing to the administrator, being J.P. Morgan Chase Bank N.A., London Branch, 25 Bank Street, Canary Wharf, London E14 5JP.

### 1.5. Customer Enquiries

We have delegated the functions of customer enquiries, contract settlement, Unit issues and redemptions, distribution of income and record keeping to the transfer agent, being HSBC Bank Plc, 8 Canada Square, London, E14 8HQ.

### 1.6. Auditor

For Schroder Alternative Portfolio, Schroder Active Asset Allocation Portfolio, Schroder Countrywide Managed Balanced Fund, Schroder Diversified Growth Fund, Schroder Monthly Income Fund, Schroder Income Portfolio, Schroder MM Diversity Fund, Schroder Sustainable Future Multi-Asset Fund, Schroder Scottish Friendly Managed Fund, Schroder Worldwide Corporate Bond Portfolio, Schroder UK Multi-Cap Income Fund, Schroder MPS Emerging Markets Equity Portfolio, Schroder MPS Europe ex UK Equity Portfolio, Schroder MPS Japan Equity Portfolio, Schroder MPS North America Equity Portfolio and Schroder MPS UK Equity Portfolio, the auditor is KPMG LLP whose principal place of business is at 15 Canada Square, London, E14 5GL.

For SUTL Cazenove GBP Balanced Fund, SUTL Cazenove GBP Cautious Fund, SUTL Cazenove GBP Equity Focus Fund, SUTL Cazenove GBP Growth Fund, SUTL Cazenove Sustainable Balanced Fund and SUTL Cazenove Sustainable Growth Fund, the auditor is Ernst & Young LLP whose principal place of business is at 1 More London Place, London, SE1 2AF.

### 1.7. Register of Unitholders

We are responsible for maintaining the register for each Fund. We have delegated certain registrar functions to HSBC Bank Plc, 8 Canada Square, London, E14 5HQ. Each register is kept and can be inspected by Unitholders at 8 Canada Square, London, E14 5HQ.



## Section 3

### 1. Buying, selling and exchanging Units

**This section explains how you can buy, sell or exchange Units in the Funds, including some restrictions which might apply.**

#### 1.1. When and how

Our dealing office is open from 9.00 a.m. until 5.30 p.m. each day the Funds are open for dealing (generally every Business Day).

You must fill in an application form and send it to us when you first buy Units. Subsequent requests can either be made by telephone, or, where we agree, through some electronic platforms.

Some Funds may have a dealing cut-off point. This means that applications to buy, sell, switch or convert Units in those Funds need to be received by us by a certain time. Where a Fund has a dealing cut-off point it will be included in the Fund's details in **Appendix 1**. If there isn't a dealing cut-off point then we will need to receive your application before the valuation point on that day. If your application is received after the dealing cut-off point (if there is one), or valuation point, we will process it on the next day the Fund is available for dealing. Your application must also meet the conditions below.

We cannot accept transfer of title by electronic communication.

#### 1.2. Buying Units

You can buy Units directly from us by sending an application form to us at Schroders Investor Services, FREEPOST, PO BOX 1402, SUNDERLAND, SR43 4AF; by telephoning

0800 182 2399 (please note that calls may be recorded); or through an intermediary (such as an online platform). You can find the application form at <https://www.schroders.com/en-gb/uk/individual/funds-and-strategies/how-to-invest-with-us/application-forms/>.

Purchases of Units are subject to some conditions explained below. If you meet the conditions, and we accept your application, we will process it as soon as possible. If we receive your application before the valuation point of the relevant Fund, we will invest on the same working day. If we receive your application after the valuation point of the relevant Fund, we will invest on the following Dealing Day.

The valuation point for each Fund is set out in **Appendix 1** in the Fund specific details.

#### 1.3. Conditions

We have a general right to reject applications without giving a reason. However, usually applications are rejected when they fail to meet the following conditions:

- **Applications must be complete:** we may not accept application forms that are incomplete or which have been completed incorrectly

- **You must meet the eligibility criteria:** each class of Units has specific eligibility criteria set out in **Paragraph G of Section 1** and **Appendix 1** – for example, a minimum level of investment. If you do not meet the criteria, we may reject your application or ask you to sell your investment at a later stage if you no longer meet the eligibility criteria
- **You must provide information we need to comply with our anti-money laundering obligations:** investments in the Funds are subject to laws to prevent financial crime, including money laundering. We have implemented procedures to comply with our obligations and may not always be able to accept applications. In certain circumstances, investors may be asked to provide proof of identity when buying Units. If you do not comply, or we are unable to verify the identity of an applicant to our satisfaction, we may reject your application

If an application is rejected, we will return any money sent, or the balance of money sent at your risk.

#### 1.4. Confirmation and documentation you will receive

When you make a request to buy Units, you must state the amount of money you wish to invest. The price of the Units, and therefore how many Units you will receive, is not known until the trade takes place – this is known as forward pricing.

We will send you or your financial adviser (or both) a confirmation following the investment. This is known as a 'contract note'. You will receive the contract note by the end of the Business Day following the date that your Units are purchased.

If there is money left over after a whole number of Units has been allocated, you will receive the balance as smaller denomination Units.

We do not issue Unit certificates and instead your ownership is recorded on the register of Unitholders. As well as a contract note for each trade, you will also receive a regular statement that shows the number of Units you hold as well as any income received in relation to those Units. You can also request a statement at other times if you need one.

#### 1.5. When you need to pay

Your payment for the Units you have bought is usually due once you receive the contract note.

However, where a deal is particularly significant (1% of the Fund or greater), we may request that the purchase money is provided up front.

Payment must be in the currency for the Unit class you are buying.

We can cancel an application for Units, or redeem Units which have been issued, where your full payment has not been received by the settlement date set out in the relevant contract note.

## 1.6. Paying for Units with assets

Prospective investors wishing to pay for Units with assets rather than cash (which is known as 'in specie'), should contact us as this can only be facilitated at our discretion.

We will not issue Units in any Fund in exchange for assets if:

- Those assets are not consistent with the investment objective or policy of that Fund; or
- We, or the trustee, determine that the Fund's acquisition of those assets in exchange for the Units may be materially prejudicial to the interests of the Unitholders

## 1.7. What happens if you change your mind

If you received advice from a financial adviser, and subsequently invested in a Fund, you will receive a notice informing you of your right to change your mind and instructions on how to cancel. You will then have 14 days to cancel your investment. If you decide to proceed with your cancellation, we will return your investment money. Please note that if the value of the Fund's assets changed from the time your money was originally invested in the Funds, you may not receive your full money back.

## 1.8. Selling back (redeeming) Units

You can generally sell your Units back by writing to us at Schroders Investor Services, FREEPOST, PO BOX 1402, SUNDERLAND, SR43 4AF; by telephoning us on 0800 182 2399 (please note that calls may be recorded); or through an intermediary (such as an online platform). This is also known as 'redeeming' Units. We may, from time to time, allow Units to be sold online or through other communication media.

If you are only selling part of your investment, we can refuse an application to sell if the sale means you will hold less than the minimum amount of Units for that Unit class.

If we receive your application before the valuation point of the Fund (or, if a Fund has one, a dealing cut-off point), we will process valid instructions to sell Units on the same Dealing Day. If we receive your application after the valuation point of the Fund (or, if a Fund has one, a dealing cut-off point), we will process your instructions on the next Dealing Day. The valuation point for each Fund (or, if a Fund has one, a dealing cut-off point) is set out in the Fund specific details in **Appendix 1**.

Instructions to sell Units are legally binding on Unitholders whether made in writing or through any other means of accepted communication.

We may be unable to process a sale request until we have received sufficient documentation, anti-money laundering information or outstanding amounts in relation to your account.

If sufficient written instructions are not received, we may require you (or any joint Unitholders) to complete a form before the instructions to sell Units can be processed.

## 1.9. Confirmation and documentation you will receive

We will send a contract note (which details the number and price of Units sold) to you (or, where you invest jointly, to the first named Unitholder on the account). We may also include a form to complete and sign (by all joint holders where relevant) no later than the end of the Business Day following the day that your trade was carried out.

We will send the money we get from the sale of your Units to the bank account you told us about when you invested. We will normally pay this within four Business Days of:

- Us getting your correctly completed form; and
- The valuation point after we received your request to sell your Units

Whichever comes later.

The money will be in the same currency as the currency of the Unit class.

## 1.10. Selling back (redeeming) Units for assets

If you wish to sell back (redeem) Units which are worth £1,000,000 or more (although we can waive this minimum at our discretion) and receive assets rather than cash (an 'in specie' redemption), you should contact us as this can only be facilitated at our discretion.

In the event of a request for such a sale, we and the trustee must ensure that the selection of assets is made with a view to achieving no more advantage or disadvantage to the Unitholder requesting the sale than to the continuing Unitholders.

## 1.11. How to exchange Units

### Switching

You can switch all or some of your Units in one Fund (original Units) for Units in another Schroder fund (new Units). You will need to send us a switching form or use an intermediary (such as an online dealing platform). You can find the switching form (which is labelled as 'Amendment') here <https://www.schroders.com/en-gb/uk/individual/funds-and-strategies/how-to-invest-with-us/application-forms/>. We may, from time to time, allow Units to be switched online or through other communication media.

If we receive your application before the valuation point of the relevant Fund (or, if a Fund has one, a dealing cut-off point), we will make the switch on the same Dealing Day. If we receive your application after the valuation point of the relevant Fund (or, if a Fund has one, a dealing cut-off point), we will make the switch on the following Dealing Day.

For a switching instruction to be valid, you must be eligible to hold the new Units and meet the minimum holding amount for each Unit class. Please see **Paragraph G of Section 1** and **Appendix 1** for details.

We will work out how many new Units to issue based on the prices of the new and old Units at the relevant valuation point and the value of your holding. Requests received after the valuation point of the relevant Fund will not be processed until the following Dealing Day.

There is no right by law to withdraw or cancel a switch transaction once you have made a request to switch.

If you want to switch please complete an application form which can be found <https://www.schroders.com/en-gb/uk/individual/funds-and-strategies/how-to-invest-with-us/application-forms/> or use an online dealing platform.



**Important:** Under current tax law, a switch of Units in one Fund for Units in any other Fund is treated as selling old Units and buying new ones. If you are subject to United Kingdom taxation, this will be a 'realisation' for the purposes of capital gains taxes.

## Conversion

You may convert your Units in one Unit class in a Fund for another Unit class (if any) in the same Fund.

For a conversion instruction to be valid, you must be eligible to hold the new Units including holding the minimum amount of Units for the new Unit class. Please see **Paragraph G of Section 1** and **Appendix 1** for details.

Conversions will be effected by us recording a change of class on the Unitholder register.

We will work out how many new Units to issue based on the prices of the new and old Units at the relevant valuation point and the value of your holding. Requests received after valuation point of the relevant Fund (or, if a Fund has one, a dealing cut-off point) will not be processed until the following Dealing Day.



**Important:** Under current tax law, a conversion between different Unit classes in the same Fund is generally not treated as selling old Units and buying new ones (unless one of the Unit classes is hedged and the other is not). Therefore, if you are subject to United Kingdom taxation, this will usually not be a 'realisation' for the purposes of capital gains taxes.

## 1.12. Our powers to restrict buying, selling and exchanging Units

### Deferred redemption

Redemptions not processed at a valuation point will be processed at the next valuation point, up to the 10% Net Asset Value limit.

We may defer your request to sell your Units at a valuation point to the next valuation point if the total requests for redemptions on that Dealing Day are worth more than 10% of the Fund's value in all Funds except Schroder MM Diversity Fund, Schroder UK Multi-Cap Income Fund and Schroder Income Portfolio.

Where the deferred sale policy is in effect, we will defer all Unitholder sales requests for a particular valuation point to the next valuation point. Requests to sell Units can continue to be deferred in this way over multiple valuation points. We will ensure that all requests to sell Units relating to an earlier valuation point are completed before those relating to a later valuation point.

### Compulsory exchange to another Unit class

Where we consider it is in the best interests of Unitholders, we may convert/transfer a Unitholder's holding in one class of Units to another class of Units in the same Fund. We will give prior written notice to the Unitholders concerned of the proposed conversion/transfer, including details of the new class of Units and reminding Unitholders of their rights to redeem.

In addition, in the event that a Unitholder of S class Units ceases to be a client of the Schroders group wealth management business, the Unitholder will stop being eligible to hold those Units and we will convert those Units to another class of Units in the same Fund. This does not apply to Schroders' UK staff and their immediate family.

### Compulsory redemption

We may from time to time impose any restrictions we consider necessary for the purpose of ensuring that no Units are acquired or held by any person:

- In breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory
- Which would require the relevant Fund to obtain additional registrations; or
- Which would cause the relevant Fund to incur a liability to taxation or suffering any other adverse consequence which the Funds or the Unitholders might not otherwise have incurred or suffered

We can reject any application for the purchase, sale, transfer, switching or conversion of Units for these reasons.

We may require a Unitholder to sell Units, or we may cancel Units, if we think Units are being held when they shouldn't be. We will give affected Unitholders reasonable written notice before using this power. In addition, we may give notice to affected Unitholders requiring them to transfer Units to a person who is able to hold them. If an affected Unitholder does not transfer the affected Units within 30 days of being asked to, we will take this as a request from the Unitholder to sell or cancel those Units.

If a Unitholder becomes aware that they are holding Units which they shouldn't be (under one of the reasons above) they must, unless we have already notified them, either transfer the affected Units to a person who is able to own them or ask us to sell or cancel those Units.

We can cancel an application for Units, or redeem Units which have been issued, where your full payment has not been received by the settlement date set out in the relevant contract note.



### 1.13. Suspension of dealing

We may, with the prior agreement of the trustee (or will, if the trustee so requires), temporarily suspend the issue, cancellation, purchase and redemption of Units where due to exceptional circumstances it is in the interest of all of the Unitholders.

If we choose to suspend a Fund, we must immediately inform the FCA, stating why, and follow up in writing confirming this. If the trustee requires us to suspend dealings, it will do this instead.

We must ensure that a notification of the suspension is made to Unitholders as soon as practicable after suspension commences. Our notification will:

- Draw your attention to the exceptional circumstance which resulted in the suspension; and
- Inform you how to obtain sufficient details (either through our website or by other general means) about the suspension including, if known, its likely duration

We will review the suspension with the trustee at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

Once the suspension ends, re-calculation of the Unit price for buying and selling Units will commence on the next relevant valuation point and will be determined in accordance with the relevant rules set out in **Appendix 5**.

### 1.14. We will deal as ‘principal’

We will, on the completion of the valuation of each Fund, advise the trustee of the prices of Units of the Fund. These are the prices which we have to pay to the trustee for the issue of Units or which we will receive from the trustee on the cancellation of Units. We deal as principal in these Units and may hold Shares for our own account. However, we will generally only hold Units to facilitate Unit orders and will not hold them for speculative purposes. We will be able to take the profits or losses arising from such transactions and these will not be payable to the relevant Fund. We are under no obligation to account to the trustee, or to Unitholders for any profit we make on the issue or re-issue of Units or cancellation of Units which have been redeemed.

### 1.15. Market timing policy, late trading policy and fair value pricing

We do not knowingly allow investments which are associated with market timing activities, as these may adversely affect the interests of all Unitholders.

In general, market timing refers to the investment behaviour of a person or group of persons buying, selling or switching Units on the basis of predetermined market indicators. Market timing may also be characterised by transactions that seem to follow a timing pattern or by frequent or large transactions in Units.

An example of market timing is where an investor seeks to take advantage of the time difference between the closure of a market in which a Fund invests and the

valuation point of a Fund. Events between the close of the market and the valuation point could affect the value of the Fund’s investments but these may not be reflected in the price at the valuation point.

To prevent this, we can use one or both of the following powers where we believe it is in the interests of Unitholders:

- Reject any application for switching, conversion and/or purchase of Units from Unitholders or potential Unitholders that we consider to be associated with market timing activity. In such circumstances we may combine Units which are under common ownership or control for the purposes of deciding whether Unitholders are involved in such activities; and
- Where a Fund is invested in markets that are closed for business at the time a Fund is valued, allow for the Net Asset Value per Unit to be adjusted to reflect more accurately the fair value of the Fund’s underlying property at the point of valuation (fair value pricing). Please see **Section 4 – Paragraph D** for more details on fair value pricing

Late trading is not permitted. ‘Late trading’ means the acceptance of a purchase, conversion, redemption or switching order received after the Fund’s applicable valuation point for that day. As such, orders will not be accepted using the price established at the valuation point for that day if orders are received after that time. Late trading will not include a situation where we are satisfied that orders which are received after the valuation point have been made by investors before then (e.g. where the transmission of an order has been delayed for technical reasons).

### 1.16. Other information about dealing

The status of your investment money when it is outside a Fund

This paragraph is relevant where:

- You are making a request to buy Units and send payment before the order is placed; and
- Where you are selling back (redeeming) Units

In these cases, we will hold money for you outside the Funds.

We treat any money we hold for you as client money in accordance with the Regulations.

### Dormant Assets Scheme

We participate in the Dormant Assets Scheme, established under the Dormant Assets Act 2022, in respect of the Funds covered by this prospectus. Under this scheme, in certain circumstances (as further set out below) we are permitted to transfer unclaimed monies to a Dormant Assets Fund Operator. A Dormant Assets Fund Operator is a not-for-profit organisation authorised and regulated by the FCA. The aim of the Dormant Assets Scheme is to distribute unclaimed monies for the benefit of the community, whilst also protecting Unitholders’ rights to reclaim their money at any time.

The Dormant Assets Scheme applies to an Eligible Amount which has become dormant. An Eligible Amount becomes dormant where we regard the Unitholder (or any person acting on behalf of the Unitholder) as having “gone-away”, because there has been no communication from that person:

- throughout the preceding 12 years (for any Eligible Amount which is the proceed of a Unit conversion); or
- throughout the preceding 6 years (for any other Eligible Amount).

In such circumstances, we have the power to convert a Unit into a cash proceed (which would then constitute an Eligible Amount).

Before transferring a dormant Eligible Amount to the Dormant Assets Fund Operator, we will take reasonable steps to trace the Unitholder and return that Eligible Amount in accordance with the FCA Rules.

Following the transfer of an Eligible Amount to the Dormant Assets Fund Operator, a Unitholder is entitled to reclaim at any time money which is owed to them under the Dormant Assets Scheme. The amount of money which the Unitholder can reclaim will be calculated in accordance with the provisions in the Dormant Assets Act 2022. In certain circumstances, deductions may apply including for interest due, fees and charges. We shall be responsible for handling all repayment claims on behalf of the Dormant Assets Fund Operator. A Unitholder that wishes to reclaim their money should contact us using the contact details set out below:

Schroders Investor Services, FREEPOST, PO BOX 1402, SUNDERLAND, SR43 4AF; by telephoning 0800 182 2399 (please note that calls may be recorded); or through an intermediary (such as an online platform).

Upon receiving a valid claim, we will review the request and may require the claimant to provide appropriate identification and evidence of entitlement to the monies. We will process the claim in accordance with our internal procedures, the Dormant Assets Act 2022, and FCA requirements.

Once the necessary documentation has been provided and the claim validated, we will arrange for repayment of the monies owed, subject to any permitted deductions for interest, fees, or charges. We aim to process all valid claims promptly, and we will keep the claimant informed of the progress of their reclaim.

Further information regarding the Dormant Assets Scheme is available from us upon request.

### Dilution, and dilution adjustment

The value of a Fund’s assets is based on a market value of those assets (this is explained in **Appendix 5** below). We use that value to calculate the price of a Fund’s Units (the amount we would pay to an investor selling a Unit, or would expect from an investor buying a Unit).

As a result of this relationship, a Fund’s growth could suffer if the amount the Fund receives from selling its investments (or pays to buy new investments) is different from the market value.



**A simple example:** a Fund pays an investor £1,000 for Units she is selling since it expects to raise £1,000 from selling corresponding investments. If the Fund only receives £990 for the investments, it has suffered a loss of £10.

This effect is called dilution.

It can arise due to costs (such as charges, foreign currency exchange costs, taxes, and any difference between market buying and selling prices (spread)) which a Fund has to pay when buying or selling investments.

To mitigate the effects of dilution we have the discretion to make a dilution adjustment on the sale or redemption of Units to adjust the price.

The need to make a dilution adjustment will depend on the volume of sales or redemptions of Units. We may make a discretionary dilution adjustment if, in our opinion, the existing (for net purchases) or remaining Unitholders (for net redemptions) might otherwise be adversely affected. We can make a dilution adjustment in the following circumstances:

- Where a Fund is in continual decline (meaning it is suffering a net outflow of investment)
- On a Fund experiencing large levels of net sales relative to its size
- On a Fund experiencing net sales or net redemptions on any day above a threshold that we set; or
- In any other case where we think that the interests of existing Unitholders mean we should apply a dilution adjustment

Where a dilution adjustment is made, it will typically increase the dealing price when there are net inflows into the Fund and decrease the dealing price when there are net outflows. The dealing price of each class of Unit in the Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the price of Units of each class identically.

Where we don’t make a dilution adjustment there may be an adverse impact on the total assets of a Fund.

To show you how we have applied the dilution adjustment previously, the table below sets out how often we applied a dilution adjustment on the dealing in Units of each Fund over the 12 month period from 1 January 2024 to 31 December 2024. However, such historical information does not constitute a projection. As dilution is related to the inflows and outflows of money from a Fund it is not possible, based on historical information, to accurately predict whether dilution will occur at any future point in time. It is also not possible to accurately predict how often we will need to make such a dilution adjustment. In the usual course of business, the application of a dilution adjustment will be triggered mechanically and on a consistent basis.

<b>Fund</b>	<b>Number of times dilution adjustment was applied in 2024</b>
Schroder Alternative Portfolio	2
Schroder Active Asset Allocation Portfolio	N/A
Schroder Countrywide Managed Balanced Fund	3
Schroder Diversified Growth Fund	11
Schroder Monthly Income Fund	0
Schroder Scottish Friendly Managed Fund	0
Schroder Worldwide Corporate Bond Portfolio	N/A
Schroder Sustainable Future Multi-Asset Fund	8
SUTL Cazenove GBP Balanced Fund	2
SUTL Cazenove GBP Cautious Fund	7
SUTL Cazenove GBP Equity Focus Fund	5
SUTL Cazenove GBP Growth Fund	2
SUTL Cazenove Sustainable Balanced Fund	7
SUTL Cazenove Sustainable Growth Fund	4
<b>Multi-Manager Funds</b>	
Schroder Income Portfolio	4
Schroder MM Diversity Fund	3
Schroder UK Multi-Cap Income Fund <sup>1</sup>	1
<b>Model Portfolio Service Funds</b>	
Schroder MPS Emerging Markets Equity Portfolio	N/A
Schroder MPS Europe ex UK Equity Portfolio	N/A
Schroder MPS Japan Equity Portfolio	N/A
Schroder MPS North American Equity Portfolio	N/A
Schroder MPS UK Equity Portfolio	N/A

Because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions, this means that the amount of the dilution adjustment can vary over time.

Estimates of the dilution adjustments are set out in the table below. The adjustments have been calculated using historical data and are based on the securities held in each Fund and market conditions at the time of publication of the prospectus.

#### Estimated Dilution Adjustments

<b>Fund</b>	<b>Estimated Dilution Adjustment applicable to redemptions</b>	<b>Estimated Dilution Adjustment Applicable to purchases</b>
Schroder Alternative Portfolio	0.06%	0.11%
Schroder Active Asset Allocation Portfolio		
Schroder Countrywide Managed Balanced Fund	0.03%	0.09%
Schroder Diversified Growth Fund	0.02%	0.02%
Schroder Monthly Income Fund	0.00%	0.00%

<sup>1</sup> Schroder UK Multi-Cap Income Fund was liquidated on 12 December 2025 and is now in wind-up

Fund	Estimated Dilution Adjustment applicable to redemptions	Estimated Dilution Adjustment Applicable to purchases
Schroder Scottish Friendly Managed Fund	0.00%	0.00%
Schroder Worldwide Corporate Bond Portfolio		
Schroder Sustainable Future Multi-Asset Fund	0.02%	0.03%
SUTL Cazenove GBP Balanced Fund	0.02%	0.02%
SUTL Cazenove GBP Cautious Fund	0.02%	0.02%
SUTL Cazenove GBP Equity Focus Fund	0.02%	0.02%
SUTL Cazenove GBP Growth Fund	0.02%	0.02%
SUTL Cazenove Sustainable Balanced Fund	0.02%	0.02%
SUTL Cazenove Sustainable Growth Fund	0.02%	0.04%
Multi-Manager Funds		
Schroder Income Portfolio	0.02%	0.03%
Schroder MM Diversity Fund	0.01%	0.04%
Schroder UK Multi-Cap Income Fund <sup>2</sup>	0.15%	0.61%
Model Portfolio Service Funds		
Schroder MPS Emerging Markets Equity Portfolio		
Schroder MPS Europe ex UK Equity Portfolio		
Schroder MPS Japan Equity Portfolio		
Schroder MPS North American Equity Portfolio		
Schroder MPS UK Equity Portfolio		

## Liquidity Risk Management

We comply with the requirements of the AIFMD Rules relating to having a comprehensive liquidity risk monitoring framework to ensure that all the dimensions of liquidity risk are identified, assessed and monitored on an on-going basis. This includes liquidity stress test scenarios that are designed to assess the resilience of the liquidity profile of the Funds to a combination of:

1. very unfavourable market liquidity conditions; and
2. large-scale, short-notice capital outflows.

The objective is to ensure that the Funds are able to comply as far as possible at all times, and under stressed market conditions, with the relevant regulatory repurchase obligations and that the liquidity of the Funds remains in line with the respective investment policy and overall risk profile.

In exceptional circumstances such as market liquidity dislocation and in the best interests of the Fund and its investors, we have implemented special procedures to suspend redemption requests on a temporary basis as further detailed above.

<sup>2</sup> Schroder UK Multi-Cap Income Fund was liquidated on 12 December 2025 and is now in wind-up

## Section 4

### 1. Valuing and pricing the Funds

**This section explains how we value the investments in the Funds and calculate the price of Units.**

#### 1.1. General

There is only a single price published for each Unit class (i.e. the same price for buying and selling).

The price of a Unit is based on the value of the Fund it relates to (the Net Asset Value) and that Unit's proportionate interest in the property of that Fund.

Each Fund is valued at its stated valuation point, as set out in **Appendix 1**, on every day the Fund is open for dealing. The basis of the valuation is described below.

All dealings in the Units of a Fund are on a forward pricing basis. This means that requests to buy or sell Units are carried out at the next valuation point following the request (subject to any dealing cut-off time for the Fund, where relevant).

#### 1.2. Basis of valuation

The value of the property of a Fund will be the value of its assets less the value of its liabilities determined in accordance with the trust deed of the relevant Fund. Details of how each asset in a Fund is valued are set out in summary in **Appendix 5** below.

#### 1.3. Special valuations

We can instruct an additional valuation if we (together with the trustee) think that would be desirable and can use the price at that additional valuation point for dealing on that day.

We can also instruct additional valuations for the purposes of a merger with another fund, or a similar 'corporate action', and these will not create a valuation point for the purposes of dealing.

Subject to the rules and regulations applicable to the Funds, we may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in our opinion reflects a fair and reasonable price for that investment.

#### 1.4. Fair value pricing

We can value investments (including hard-to-value investments) at a price which, in our opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- We have reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a valuation point; or
- The most recent price available does not reflect our best estimate of the value of the security (including a unit/share in a collective investment scheme) at the valuation point

The circumstances which may give rise to a fair value price being used include:

- No recent trade in the security concerned
- Suspension of dealings in an underlying collective investment scheme; or
- The occurrence of a significant event since the most recent closure of the market where the price of the security is taken

In determining whether to use a fair value price, we will include in our consideration but need not be limited to:

- The type of authorised fund concerned
- The securities involved
- Whether the underlying collective investment schemes may already have applied fair value pricing
- The basis and reliability of the alternative price used; and/or
- Our policy on the valuation of the property of the relevant Fund

The adjustment of the Net Asset Value per Unit of a Fund to reflect the fair value of the portfolio as at the point of valuation is an automated process.

In applying fair value pricing, we are seeking to ensure that consistent prices are applied across all relevant Funds. There may be some asset classes that are not currently subject to fair value pricing.

When an investment is fair valued, there is no guarantee that the investment will be sold at the price at which a Fund is carrying the investment. We monitor domestic and foreign markets and news information for any developing events that may have an impact on the valuation of a Fund's investments.

Where we believe that a reliable Unit price cannot be established as at the valuation point, dealing in the relevant Fund may be suspended.

#### 1.5. Publication of prices

The price of Units will be published daily on our website [www.schroders.com/en-gb/uk](http://www.schroders.com/en-gb/uk). Unitholders can also obtain up-to-date Fund prices free of charge by calling 0800 182 2399.

We are not responsible for any errors in publication or for the non-publication of prices. We issue and redeem Units on a forward pricing basis, not on the basis of the published prices.



## Section 5 Fees and expenses

**This section explains the recurring fees that will be taken from each Fund and expenses which might arise from time to time.**

### A. General

There are costs involved in running the Funds. We take a fee from the Funds for our services and to pay the other providers to the Funds. We can also take other expenses from the Funds' assets. These fees and expenses are explained in this section.

Please note that value added tax (VAT) is payable on all charges where appropriate.

**Appendix 1** explains which fees are charged in each Fund and whether they are charged to the capital or income account. We usually pay any fees and expenses from the income account, but where a Fund's objective is to produce an income for investors, we sometimes take fees and expenses from the capital account as this lets us maximise the amount of income we can pay to investors. Where fees and expenses are allocated to the capital account, this may constrain capital growth.

### B. Initial charge

Under the Regulations we can take a charge on your initial investment which is included in the price you pay for your Units. We can waive this charge at our discretion. Details of the current initial charge (if any) of each Fund is set out in **Appendix 1**. Notice of an increase to any initial charge will be dealt with in accordance with the Regulations.

### C. Redemption charge

We do not take a charge when you sell your Units.

### D. Switching

We do not take a charge when you switch your Units.

### E. Schroders Annual Charge

We can take a charge from each Unit class of each Fund as payment for carrying out our duties and responsibilities and to pay for certain other costs and expenses as described below. We call this the 'Schroders Annual Charge'.

The Schroders Annual Charge is set as a rate which is a percentage of the Net Asset Value of each Unit class of each Fund. The annual rate of this charge for each Unit class is set out in **Appendix 1**.

The Schroders Annual Charge is calculated and accrued daily and deducted monthly in arrears from the relevant Unit class. In the event the actual costs incurred by a Fund exceed the level of the Schroders Annual Charge applicable to that Unit class, we will bear any such excess. Where the actual costs incurred by a Fund fall below the Schroders Annual Charge for that Fund, we are entitled to retain any amount by which the Schroders Annual Charge exceeds those actual costs.

### F. Costs and expenses included in the Schroders Annual Charge

The Schroders Annual Charge covers the following:

1. Our fees and expenses for carrying out the operation and management of the Funds
2. The fees and expenses payable to the trustee (including the costs of any agents appointed by the trustee to assist in the discharge of its duties)
3. The fees and expenses payable to each investment manager
4. The fees and expenses payable by us to the administrator in respect of:
  - Fund accounting and related Fund administration services
  - Preparation of financial statements for the Funds
  - Preparation of tax returns; and
  - Any expenses incurred by the Funds in connection with the maintenance of accounting and other books and records
5. Any transfer agency fees including those of the transfer agent, HSBC Bank Plc.
6. Fees incurred in relation to custody of assets (including overseas custody services and any related transaction charges incurred by the custodian) including the custodian's fees and expenses and related fees levied by local tax agents
7. Any audit fee and any proper expenses of the auditor and of tax and other professional advisers to the Funds (including any professional advice required by the trustee in relation to the Funds and discharge of its duties)
8. The fees and any proper expenses of legal advisers to the Funds and of conducting legal proceedings
9. Any costs arising in connection with the publication and dispatch of the price of Units
10. Costs and expenses in respect of the purchase and maintenance of insurance policies
11. Any fees incurred in respect of Unit class hedging
12. All costs from dispatch of the half-yearly and other reports of the Funds
13. Costs of modifying or updating of the trust deeds and prospectus
14. Documentation costs and expenses, such as preparing, printing and distributing the prospectus and the KIIDS, as well as the annual reports of the Funds and any other documents made available to Unitholders

15. Costs of arranging and convening meetings of Unitholders
16. Costs of registration, publication of Unit prices, creation, conversion and cancellation of Unit classes
17. The costs of the registrar and of establishing and maintaining the register and any sub-register
18. Any costs incurred in collection, producing, distributing and dispatching income and other payments to Unitholders or any payments made in respect of the Funds
19. Costs and charges relating to banking and banking transactions (including the conversion of foreign currency, stock-lending and other permitted transactions)
20. Communications with any parties (including telex, facsimile, SWIFT and electronic mail)
21. The fees of the FCA and any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Units in a Fund are, or may, be marketed
22. Any sum due or payable by virtue of any provision of the Regulations
23. Any licensing and associated fees; and
24. Value added tax payable on these expenses where appropriate

We will review the level of the Schroders Annual Charge in exceptional circumstances and on an annual basis in any event to ensure that it remains fair. If we want to increase the Schroders Annual Charge, we will give you prior notice before any increase takes effect. The prospectus will also be revised to reflect the new rate(s).

## G. Discounts to the Schroders Annual Charge

We will pass on some of the benefits of potential savings generated by significant growth in assets under management by discounting the Schroders Annual Charge payable in respect of selected Unit classes in the Funds, namely classes A, L, T and Z Units. The size of the discount to the usual Schroders Annual Charge is determined by the size of the relevant Fund (as set out below) and is capped at 0.05%.

For equity funds, a 0.02% discount is applied to the Schroders Annual Charge payable in respect of the relevant Unit classes in Funds with £1 billion plus of assets under management; a 0.04% discount is applied for £2 billion plus of assets under management; and 0.05% discount is applied for £3 billion plus of assets under management as set out below.

Fund assets under management	Discounted Schroders Annual Charge for Unit classes (equity funds)
Up to £1bn	0.00%
£1bn to £2bn	0.02%
£2bn to £3bn	0.04%
£3bn and above	0.05%

For fixed income and multi-asset Funds, a 0.02% discount is applied to the Schroders Annual Charge payable in respect of the relevant Unit classes in Funds with £1 billion plus of assets under management and a further 0.02% discount is applied for each further £2 billion plus of assets under management, subject to a cap of 0.05% as set out below.

Fund assets under management	Discounted Schroders Annual Charge for Unit classes (fixed Income and multi-asset funds)
Up to £1bn	0.00%
£1bn to £3bn	0.02%
£3bn to £5bn	0.04%
£5bn and above	0.05%

We will review the Net Asset Value of each of the Funds on a daily basis and implement the applicable discount on a forward basis on the next Dealing Day.

We reserve the right to change the Net Asset Value ranges at which discounts apply or the discount applied for any given Net Asset Value range. We will let you know in writing if we make any changes.

## H. Other Expenses

The expenses set out in this section are payable out of the scheme property of the relevant Fund and do not fall within the Schroders Annual Charge. No payments may be made from the property of the Funds other than payments permitted by the relevant Regulations and the following (to the extent of the actual amount incurred):

1. Brokers' commission, fiscal charges and other disbursements which are:
  - Necessarily incurred in effecting transactions for that Fund; and
  - Normally shown in contract notes, confirmation notes and difference accounts as appropriate
2. Ongoing charges incurred at Fund level by holding collective investment schemes and other investment vehicles not managed by a member of the Schroders group. Management charges (such as initial charges, redemption charges, performance fees and management fees) incurred in respect of investment in funds managed by a member of the Schroders group will be rebated to the relevant investing Fund (where applicable), unless otherwise stated in the Fund specific details in **Appendix 1**

3. Any costs incurred in respect of dealings in derivatives
4. Interest on borrowings permitted under the Regulations and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings
5. Taxation and duties payable in respect of the property of a Fund, the trust deed or the issue of Units
6. Liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances as set out in the relevant Regulations
7. All charges and expenses incurred in relation to stock lending. (The Funds do not currently undertake any stock lending activities. If the Funds stock lend in the future, the payment paid to the stock lending agent will not exceed 17.5% of the gross income generated by the stock lending arrangements. We can receive around 20% of the gross income generated from stock lending to cover administration services which are carried out and expenses properly incurred in supporting any stock lending activities. A minimum of 62.5% of the gross income generated from the stock lending activities will be applied to the scheme property for the benefit of the Funds and Unitholders.)
8. Extraordinary fees and expenses such as those relating to potential or actual legal proceedings and tax reclaims, and the fees and expenses of legal and other professional advisers
9. Such other expenses as we think are properly payable out of a Fund's property; and
10. Value added tax payable on these expenses where appropriate.

## **I. Exemption from Liability to Account for Profits**

We, the trustee and the custodian are not liable to account to the Unitholders of any Fund for any profits or benefits that we make or receive that are derived from or in connection with:

- i. Dealings in the Units of a Fund
- ii. Any transaction in Fund property; or
- iii. The supply of services to a Fund

We are under no obligation to account to the trustee for any profit we make on buying or selling Units.



## Section 6 Taxation

This section explains our understanding of the UK tax regime which applies to the Funds.

### 1. General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, both of which are subject to change, particularly the tax rates.

It summarises the tax position of the Funds and of investors who are UK-resident individuals or companies (except where indicated) and own their Units as investments.



**Important:** We recommend that if you are in doubt about your tax position, or you might be subject to tax outside the United Kingdom, you take professional advice.

### 2. Taxation of the Funds

As the Funds are authorised unit trust schemes, they are generally exempt from UK tax on capital gains realised on the disposal of investments held by them (including interest-bearing securities and derivatives contracts).

Some Funds may invest in offshore funds which, in certain circumstances, may give rise to gains which are categorised as income rather than capital gains for UK tax purposes and so are chargeable to corporation tax.

Dividends from UK and overseas companies (and any part of dividend distributions from authorised unit trusts and open-ended investment companies which represent those dividends) are generally not subject to corporation tax.

The Funds will each be chargeable to UK corporation tax at the relevant rate on other types of income, after the deduction of allowable management expenses and interest distributions, where relevant. Where a Fund suffers foreign tax on income received, this will generally be treated as an expense.

A Fund will make dividend distributions except where over 60% of its property has been invested throughout the distribution period in qualifying assets (broadly interest-bearing investments), in which case it will make interest distributions. Dividend and interest distributions made or treated as made by each Fund are not subject to UK withholding tax.

### 3. Taxation of Unitholders

Funds are referred to as 'equity Funds' for tax purposes (and pay dividend distributions) except where more than 60% of a Fund's investments are interest-bearing or economically equivalent in which case they are referred to as 'bond Funds' (and pay interest distributions). Any Fund (including a multi-asset fund), which is not more than 60% invested in interest-bearing or economically equivalent investments throughout the financial year is, for tax purposes, an 'equity fund'.

All of the Funds are equity Funds.

### 4. Income – Equity Funds

Equity Funds pay any distributable income as dividend distributions (which are automatically reinvested in the Fund in the case of Accumulation Units).

UK-resident individuals benefit from a dividend allowance under which the first £500 of dividends received (or deemed to be received) by UK-resident individuals in a tax year 2025–2026 will not be liable to income tax. Above this level, the tax rates applying to dividends are 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers and 39.35% for additional rate taxpayers, and they must pay HM Revenue & Customs the tax due.

Any corporate Unitholders who are not exempt from tax on income who receive dividend distributions may have to divide them into two (the division will be indicated on the tax voucher). Any part representing dividends received from a UK or non-UK company will be treated as dividend income and no further tax will generally be due on it. The remainder will be deemed to be unfranked income received as an annual payment after deduction of income tax at the basic rate, and corporate Unitholders may be liable to tax on the grossed up amount. The 20% income tax credit may be set against their corporation tax liability or part of it refunded, as appropriate. The proportion of the tax credit which can be repaid or offset will be provided on the tax voucher.

Non-UK resident Unitholders will generally not be charged UK income tax on dividend distributions.

### 5. Income – Bond Funds

Bond Funds pay interest distributions (which will be automatically reinvested in the Fund in the case of Accumulation Units).

For UK-resident individuals, a personal savings allowance exempts the first £1,000 of annual interest and amounts taxable as interest received or treated as received in each tax year from tax in the hands of basic rate taxpayers. The amount is reduced to £500 for higher rate taxpayers and additional rate taxpayers do not receive an allowance. Where a Unitholder's savings income in a tax year exceeds their personal savings allowance (if applicable), then they are liable to UK income tax at the basic rate, higher rate or additional rate, and they must pay HM Revenue & Customs the tax due.

Unitholders chargeable to UK corporation tax must account for their holding in a bond Fund in accordance with the loan relationships tax regime. This requires the Unitholder's interest in the Fund (including the amount of any distributions received) to be taken into account for corporation tax on a fair value basis.

Non-UK resident Unitholders will generally not be charged to UK income tax on interest distributions.

### 6. Income equalisation

The first income allocation received by a Unitholder after buying Units may include an amount of income equalisation. This is effectively a repayment of the income

equalisation paid by the Unitholder in respect of accrued income as part of the purchase price. It is a return of capital and is not taxable. Rather, it should be deducted from the acquisition cost of the Units for capital gains tax purposes in the case of Income Units (it is reinvested in the case of Accumulation Units).

## 7. Capital Gains

Individual Unitholders who are resident in the UK for tax purposes may be liable to capital gains tax on gains arising from their redemption, transfer or other disposal of Units. Part of the increase in the price of Accumulation Units is due to the accumulation of income allocations (including where applicable income equalisation). These amounts should be added to the acquisition cost of the Units when calculating the capital gain realised on their disposal. If a Unitholder's gains from all sources realised in a tax year exceed the annual exempt amount and any allowable losses, then the balance will be chargeable to capital gains tax at their applicable rate of tax.

Individual Unitholders will find further information in HM Revenue & Customs Help Sheets, available at [www.hmrc.gov.uk/sa/forms/content.htm](http://www.hmrc.gov.uk/sa/forms/content.htm) or from the Orderline 0845 9000 404 to help them complete their tax returns.

UK-resident corporate Unitholders will generally be subject to corporation tax on gains arising from the redemption, transfer or other disposal of Units in the equity Funds. Where, however, a corporation tax payer holds Units in a bond Fund, it must treat the unitholding as a creditor relationship subject to a fair value basis of accounting in each of its accounting periods.

### Reporting requirements

We (or our agent) may be required to report information about Unitholders and their investments to HM Revenue & Customs to comply with obligations under the UK legislation relating to the automatic exchange of information for international tax compliance (including the United States provisions commonly known as FATCA, the OECD Common Reporting Standard, and any other intergovernmental information sharing agreements entered into from time to time). HM Revenue & Customs will, in turn, pass information on to all relevant foreign tax authorities.

If a Unitholder does not provide the necessary information, we will be required to report this to HM Revenue & Customs who will in turn pass the information on to all relevant tax authorities including the United States.

## 8. Taxation of investments

A Fund may be subject to withholding or other taxes on income and/or gains from its overseas investments. The tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. We continually assess the Funds' entitlement to reduced overseas withholding tax rates and will generally file reclaims on behalf of the Funds to recover these taxes where the chance of success is probable and the cost/benefit analysis makes the reclaim economically viable. Nevertheless, some interest and dividend income received by a Fund may be subject to non-recoverable withholding tax in the source

countries. A withholding tax reclaim will only be accrued for in the Net Asset Value of the relevant Fund if the recognition criteria is met. It is therefore possible that a reclaim could be received by the relevant Fund several years after the income event and the benefit will be allocated to the existing Unitholders at the time the reclaim is approved or repaid. The interpretation and applicability of tax laws and regulations by tax authorities vary from jurisdiction to jurisdiction and/or region to region. Any change in taxation legislation could affect the value of the investments held by, and the performance of, the Funds.

## Section 7

### 1. Future changes, investor engagement and Fund closure

**This section explains how we deal with changes to the Funds, how we will inform you or seek your agreement, and what happens if a Fund closes.**

#### 1.1. Changes to a Fund

We are subject to laws and regulations concerning the operation of the Funds. However, we are allowed to make changes to the Funds and may do so from time to time.

Sometimes we will do this just by updating this prospectus and/or the constitution of the relevant Fund (meaning the trust deed) and publishing a new version.

However, we are required under the Regulations to tell you about certain changes to the Funds. Sometimes we will do this in advance and will set out what the changes mean for you and your options.

For the most important changes, we may even need to call a meeting of investors for a vote (but note that we usually offer a distanced voting option).

Changes to a Fund may include a change to its investment objective, investment policy or investment strategy. Usually we would be required to give you advanced notice (at least) of these types of changes.

#### 1.2. Unitholder meetings

We do not hold annual general meetings. We can request an extraordinary general meeting at any time.

Unitholders may also request a general meeting of a Fund. A request by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the request, are registered as holding at least one-tenth in value of all Units then in issue and the request must be deposited at our head office. We must convene a general meeting no later than eight weeks after receipt of such request.

#### Advanced notice of a Unitholders' meeting and the minimum number of participants

Unitholders will receive at least 14 days' notice of a Unitholders' meeting. Notice will be sent to a Unitholder's registered address.

At least two Unitholders must participate in a meeting for it to be valid. The Unitholders can participate by attending personally or through a representative (known as a 'proxy' who will typically be the meeting's chairperson).

If a meeting is postponed ('adjourned'), only a single Unitholder is required for the postponed meeting to be considered valid.

We (as manager) are not counted for this purpose.

#### Voting rights

Unitholders can vote if: (a) they held Units seven days before the notice of the meeting was deemed to be served; and (b) they continue to hold the Units at the time of the meeting.

There are two voting methods at a meeting of Unitholders: a show of hands and a poll vote.

- **Show of hands:** Every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote
- **Poll vote:** A Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price(s) of all the Units in issue at the date seven days before the notice of meeting is deemed to have been served. A Unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way

Except where the Regulations or constitution of a Fund (meaning its trust deed) require an extraordinary resolution (which requires 75% of the votes cast at the meeting to be in favour if the resolution is to be passed), any resolution required by the Regulations will be passed by a simple majority of the votes validly cast for and against the resolution.

Generally, we (as manager) are not able to vote at Unitholders' meetings even if we hold Units. We are only able to vote if we hold Units for another person (who would themselves be entitled to vote if they held the Units) who provides voting instructions. The same is true of our associates.

#### Class and Fund meetings

The above provisions, unless the context otherwise requires, apply to Unit class meetings and meetings of Funds as they apply to general meetings of Unitholders.

#### 1.3. Wind-up of a Fund

We must follow a specific procedure to close a Fund.

We can apply to court to close a Fund. However, it is more common to close a solvent Fund using a procedure set out in the Regulations (referred to as a 'winding up') which is explained below.

#### Application to the FCA

We would apply to the FCA to close the Fund in question.

#### When can we apply to the FCA to close the Fund?

The circumstances in which the Fund in question can be closed are:

- The Unitholders vote (by a 75% majority) to do so
- Following a merger where the Fund in question ceases to have any property or Unitholders

- Where required by the constitution of a Fund (its trust deed); or
- Where we have applied to the FCA and obtained its agreement to close the Fund in question

### What happens when a Fund begins the closure process?

Once we begin to close the Fund in question we will start to sell assets as detailed below:

- The Fund in question will stop any activities unrelated to the closure process
- We no longer have to comply with certain rules (such as the rules on dealing in Units, valuing scheme property, assessing Unitholder value or investment diversification); and
- Investors will no longer be able to buy, sell or transfer Units and we will arrange for all Units to be cancelled. The register of Unitholders will be closed (unless we agree otherwise)

### Returning your investment

During the closure, we will sell all of the assets and meet all of the liabilities of the Funds in question. We will then pay out, or make provision for, future liabilities and any fees and expenses. We will then arrange for one or more distributions of any proceeds to Unitholders in proportion to their ownership rights in the Fund(s) in question.

### Completion of the process

Once we have completed the closure of the Fund in question, we will prepare a final account showing the closure and distribution of the property. Our auditors will be asked to give their opinion on whether accounts are properly prepared.

We will tell the FCA once the winding up has finished. We will send the final report and account to the FCA and all Unitholders who were in the Fund immediately prior to the closure.

The FCA will update the financial services register.

For the hedged Unit class(es), if at any time the net asset value of a class falls below £1 million, the manager may in its discretion, and in the interest of remaining Unitholders, close the Unit class without a Unitholder vote. In such instance the manager may, inter alia and in its sole discretion, reject any application for the purchase, sale or switching of the affected hedged Units, or compulsorily redeem or require the sale or transfer of any such Units.

## Section 8

### 1. Accounting and reporting

**This section provides details of the Funds' accounting practice.**

#### 1.1. Reporting, distributions and accounting dates

##### Report and Accounts

We will, within four months after the end of each annual accounting period and two months after the end of each half-yearly accounting period respectively, make available full report and accounts, free of charge, on request or online at [www.schroders.com/en-gb/uk](http://www.schroders.com/en-gb/uk).

The following information will be disclosed to you on an annual basis by way of the annual report:

1. the percentage of any of the Funds' assets that are subject to special arrangements arising from their illiquid nature (including, but not limited to, suspension of the issue, cancellation, sale and redemption of Units and deferrals on redemptions);
2. any new arrangements for managing the liquidity of the Fund including, but not limited to, any material changes to the liquidity management systems and procedures employed by us; provided that Unitholders will be notified immediately where the issue, cancellation, sale and redemption of Units is suspended, when redemptions are suspended or where other similar special arrangements are activated;
3. the current risk profile of the Funds and the risk management systems employed by us to manage those risks; and
4. the total amount of leverage (if applicable) employed by each of the Funds.

The most recent annual report can be found at [www.schroders.com](http://www.schroders.com).

Any changes to following information will be provided to you in the Fund Change Corner section of the Schroders' website ([www.schroders.com/en-gb/uk/individual/fund-centre](http://www.schroders.com/en-gb/uk/individual/fund-centre).) without undue delay and in accordance with the Regulations:

1. any changes to the maximum level of leverage which we may employ on behalf of any of the Funds; and
2. any changes to the right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement.

##### Accounting and income allocation dates

The Funds' accounting dates (annual and half-yearly) and income allocation dates (the dates income distributions are made) are listed in **Appendix 1**. Please note that although a Fund may have several accounting dates, report and accounts will only be published in respect of the annual and half-yearly accounting dates.

Each holder of Income Units is entitled, on the relevant income allocation date, to the net income attributable to that holding. Net income on Accumulation Units is not distributed but is accumulated into the value of each Unit.

Distributions will be paid by crediting a Unitholder's bank or building society account or by cheque if we don't have your bank or building society details.

Any distribution that remains unclaimed for a period of 6 years after the distribution became due for payment will revert to the Fund and will be treated as client money. In certain circumstances we are permitted to transfer an Eligible Amount which is unclaimed client money to a Dormant Assets Fund Operator (see 'Dormant Assets Scheme' for further details). Where an Eligible Amount is client money, we will not make this transfer unless reasonable efforts have first been made in accordance with the Client Money Rules to trace the Unitholder and return that Eligible Amount. Upon transfer of any Eligible Amount that is client money to the Dormant Assets Fund Operator, we shall cease to treat such money as client money. The Unitholder is entitled to reclaim money owed to them under the Dormant Assets Scheme at any time. Please see section 1.16 Dormant Assets Scheme for further details.

We reserve the right to change or create additional accounting and income allocation dates, usually because of accounting or taxation changes.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Fund in respect of that period and deducting fees and expenses properly paid or payable out of the income account in respect of that accounting period and adding our best estimate of any relief from tax on that remuneration and those other payments.

We then make such other adjustments as we consider appropriate (and after consulting the auditors as appropriate) in relation to taxation, the proportion of the prices received or paid for Units that is related to income (taking into account any provisions in the trust deed), income equalisation, potential income which is unlikely to be reduced until 12 months after the income allocation date, income which should not be accounted for on an accrual basis because of law of information as to how it accrues, transfers between the income and capital accounts and any other relevant matters.

##### Income equalisation

When an incoming Unitholder purchases a Unit during an accounting period, part of the purchase price will reflect the relevant share of accrued income in the Net Asset Value of the Fund. The first allocation of income in respect of that Unit refunds this amount as a return of capital. The amount of income equalisation is calculated by dividing the aggregate of the amount of income included in the creation price of Units of the type in question issued or re-issued in a grouping period by the number of those Units and applying the resulting average to each of the Units in question.



## Section 9

### 1. Regulatory, policies and procedures

**This section summarises some of our policies and processes and lets you know where you can find**

**more information.**

#### 1.1. Voting strategy

We have worked with the investment managers (who have, where relevant, worked with the sub-investment managers) to determine a strategy for deciding how we intend to vote in relation to investments which we hold in the Funds. You can get a summary of the strategy from us on request as well as details of how we have exercised our voting rights in practice.

#### 1.2. Best Execution

Our order execution policy sets out the basis upon which we will effect transactions and place orders in relation to the Funds whilst complying with our obligations under the Regulations to obtain the best possible result on behalf of each Fund. Details of the order execution policy are available from us on request.

#### 1.3. Money Laundering

We are responsible for complying with UK anti-money laundering regulations. In order to implement procedures that we have in place to facilitate compliance, in certain circumstances, Unitholders may be asked to provide some proof of identity when buying or selling Units (and we may use electronic means to access information relating to the Shareholder's proof of identity). Until satisfactory evidence has been received we reserve the right to refuse to pay the proceeds of a redemption of Units or to pay income on Units to a Unitholder.

#### 1.4. Non-UK Unitholders

The Funds are generally not registered for public offer outside of the UK. We reserve the right to reject any applications for Units in any of the Funds from non-UK investors at our sole discretion. We may accept applications for Units in any of the Funds from non-UK investors if the investment is permitted under any applicable laws and the investor satisfies our onboarding requirements.

The distribution of this prospectus and the offering or purchase of Units in any of the Funds may be restricted in certain jurisdictions. No persons receiving a copy of this prospectus in any such jurisdiction may treat this prospectus as constituting an invitation to them to subscribe for Units unless, in the relevant jurisdiction, such an invitation could lawfully be made to them. Accordingly, this prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this prospectus and any persons wishing to apply for Units in any of the Funds to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Units

in any of the Funds should inform themselves as to legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Units in the Funds which are described in this prospectus have not been and will not be registered under the United States Securities Act of 1933 (the Securities Act), the United States Investment Company Act of 1940 as amended (the Investment Company Act) or under the securities laws of any state of the US and may be offered, sold or otherwise transferred only in compliance with the Securities Act and such state or other securities laws. The Units in the Funds which are described in this prospectus may not be offered or sold to or for the account of any US Person. If you are in any doubt as to your status, you should consult your financial or other professional adviser.

#### Investment restrictions applying to Indian investors

This Prospectus is not in the form of a prospectus or a statement in lieu of a prospectus as per the provisions of the (Indian) Companies Act, 2013 and has not been or will not be registered thereunder as a prospectus or a statement in lieu of a prospectus. The information set out herein does not constitute, and may not be used for or in connection with, an offer for solicitation to do business or purchase any securities or shares by any Resident Indians or by persons resident in any other jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. For any Funds that are Foreign Portfolio Investors under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "SEBI Regulations") and that may invest more than 50% of their assets in Indian securities, this Prospectus may not be distributed directly or indirectly in India or to resident Indians, and the interests are not being offered and may not be sold directly or indirectly in India or to or for the account of any resident Indians. No regulatory authority in India has confirmed the accuracy or determined the adequacy of this Prospectus. Subscription of Shares in the Funds which are Foreign Portfolio Investors under the SEBI Regulations accepted from or held by: (a) a person who is a Resident Indian; (b) a person who is a Non-Resident Indian; (c) a person who is an Overseas Citizen of India; or (d) a person who is controlled by any of the persons mentioned in (a) through (c); or (e) a person whose Beneficial Owner-India is, any of the persons listed in (a) through (c), is subject to approval by the board of directors or the Manager. This subjectivity applies to anyone who is currently a person listed in (a) through (e) above or becomes a person listed in (a) through (e) above in the future.

The following definitions can be included as part of the section on India related selling restrictions for ease of reference:

"Beneficial Owner – India" means:

- (A) if the Shareholder is a company, natural person(s), who whether acting alone or together, or through one or more juridical person:
  - (1) has a controlling ownership interest, i.e. ownership of or entitlement to more than 10% of shares or capital or profits of the company, or
  - (2) who exercises control (i.e. includes the right to appoint majority of the board of directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements, or in any other manner) through other means;
- (B) if the Shareholder is a partnership firm, any natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of/entitlement to more than 10% capital or profits of the partnership, or who exercises control (i.e. includes the right to control the management or policy decision) through other means. In case the partnership has a general partner/ limited partnership structure, identification of beneficial owner will be on ownership or entitlement basis and control basis;
- (C) if the Shareholder is an unincorporated association or body of individuals, natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than 15% of the property or capital or profits of such association or body of individuals;
- (D) in case no natural person is identified under (i), (ii), or (iii), the relevant natural person who holds the position of a senior managing official of the Shareholder;
- (E) if the Shareholder is a trust, the author of the trust, the trustee, the beneficiaries with 10% or more interest in the trust, and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

**“Non-Resident Indian”** or **“NRI”** as the term is defined under rule 2 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, which term currently means, an individual resident outside India who is a citizen of India.

**“Overseas Citizen of India”** or **“OCI”** as the term is defined under rule 2 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, which term currently means, an individual resident outside India who is registered as an Overseas Citizen of India Cardholder under Section 7 (A) of the Citizenship Act, 1955.

**“PML Rules”** means the (Indian) Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

**“Resident Indian”** or **“RI”** means a person resident in India in terms of Section 2(v) of the Foreign Exchange Management Act, 1999, which term currently includes:

- (A) a person residing in India for more than 182 days during the course of the preceding financial year but does not include:
  - (1) a person who has gone out of India or who stays outside India, in either case:
    - (I) for or on taking up employment outside India, or
    - (II) for carrying on outside India a business or vocation outside India, or
    - (III) for any other purpose, in such circumstances as would indicate his/her intention to stay outside India for an uncertain period;
  - (2) a person who has come to or stays in India, in either case, otherwise than:
    - (I) for or on taking up employment in India, or
    - (II) for carrying on in India a business or vocation in India, or
    - (III) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;
- (B) any person or body corporate registered or incorporated in India
- (C) an office, branch, or agency in India owned or controlled by a person resident outside India
- (D) an office, branch, or agency outside India owned or controlled by a person resident in India.

## 1.5. Genuine Diversity of Ownership Condition

Interests in the Funds are widely available, and we will make sure that they will be marketed and made available sufficiently widely and, in a manner, appropriate to reach the intended categories of investor who meet the broad requirements for investment in any given Unit class, and are not intended to be limited to particular investors or narrowly-defined groups of investors. Please refer to **Paragraph G in Section 1** and **Appendix 1** for the details of the minimum levels of investment and/or investor categories that are specified as eligible to acquire particular Unit classes.

## 1.6. Data Protection

In order to comply with our obligations and responsibilities under applicable data protection law, we are required by law to make available to you a privacy policy which details how we collect, use, disclose, transfer, and store your information. By signing the application form, you acknowledge that you have read the contents of our privacy policy which you can find here [www.schroders.com/en/privacy-policy/uk](http://www.schroders.com/en/privacy-policy/uk).

## 1.7. Acceptable Minor Non-Monetary Benefits

We may pay to or accept from third parties minor non-monetary benefits as permitted by the Regulations provided that they are capable of enhancing services provided to clients; and do not impair our duty to act honestly, fairly and in the best interests of clients. Such minor non-monetary benefits may include:

- Information or documentation relating to financial instruments or investment services
- Written material from third parties
- Participation in conferences, seminars and other training events
- Reasonable de minimis hospitality; and
- Research

### 1.8. Benchmark Regulation

Unless otherwise disclosed in this prospectus, the indices or benchmarks used by the Funds are, as at the date of this prospectus, provided by benchmark administrators who appear on the register of administrators and benchmarks maintained by the relevant supervisory authority. We have written plans setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided. Copies of a description of these plans are available upon request and free of charge from us.

### 1.9. Notices

If we need to write to you we will use the address or contact details you have given us. If there is more than one Unitholder on the register, we will only write to the first named person.

### 1.10. Potential Conflicts of Interest

#### Schroders

We and the investment managers (and where relevant the sub-investment managers) may effect transactions in which we or they have, directly or indirectly, an interest which may involve a potential conflict with their duties to a Fund. Neither we nor the investment managers (and where relevant the sub-investment managers) shall be liable to account to a Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the investment managers' or sub-investment manager's charges, unless otherwise provided, be abated.

Where a conflict cannot be avoided, we and the investment managers (and where relevant the sub-investment managers) will have regard to our respective obligations to act in the best interests of the Fund so far as practicable, having regard to our obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. The investment managers (and where relevant the sub-investment managers) will ensure that Unitholders in affected Funds are treated fairly and that such transactions are effected on terms which are not less favourable to a Fund than if the potential conflict had not existed.

We and the investment managers (and where relevant the sub-investment managers) acknowledge that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a Fund or its Unitholders will be prevented. Should any such situations arise we will disclose these to Unitholders in an appropriate format.

Such potential conflicting interests or duties may arise because we and the investment managers (and where relevant the sub-investment managers) may have invested directly or indirectly in a Fund.

### The trustee

As part of the normal course of global custody business, the trustee may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping, fund administration or related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise (i) from the delegation by the trustee to its safekeeping delegates; or (ii) generally between the interests of the trustee and those of the Fund, its Unitholders or us; for example, where an affiliate of the trustee is providing a product or service to a Fund and has a financial or business interest in such product or service or receives remuneration for other related products or services it provides to the Funds such as foreign exchange, securities lending, pricing or valuation, fund administration, fund accounting or transfer agency services. In the event of any potential conflict of interest which may arise during the normal course of business, the trustee will at all times have regard to its obligations under applicable laws which apply to it.

Up-to-date information regarding the name of the trustee, the description of the trustee's duties and of conflicts of interest that may arise therefrom as well as from the delegation of any safekeeping functions by the trustee will be made available to Unitholders on request at our offices.

### 1.11. Professional liability risk

We comply with the requirements of the AIFMD Rules relating to cover of potential professional risks resulting from the activities it may carry out pursuant to the AIFMD Rules. We do this by holding sufficient professional indemnity insurance against liability arising from professional negligence, which is appropriate to the risks covered.

### 1.12. Fair treatment

Under each of the trust deeds, we owe certain duties to Unitholders which require us to, among other things, act in good faith, in what we consider to be in the best interests of the Funds. In exercising our discretion under the relevant trust deed, we will act in accordance with such duties and shall ensure that we at all times act fairly between investors. The trustee also has the same such duties under each of the trust deeds.

Under the AIFMD Rules, we must treat all Unitholders fairly. We have adopted a series of policies and procedures (including a Conflict of Interest policy) which are designed to ensure that investors are treated fairly and establish requirements to identify and manage conflicts of interest that could arise between investors. We ensure the fair treatment of Unitholders through our decision-making procedures and organisational structure which:

- Identify any preferential treatment, or the right thereto, accorded to Unitholders; and



- Ensure that any such preferential treatment does not result in an overall disadvantage to other Unitholders

As at the date of this prospectus, we have not granted preferential treatment or the right to obtain preferential treatment to any investor or potential investor in any of the Funds. As such, all investors in each Fund will invest in the same manner and on the same terms.

## Section 10

### 1. General information

**This section provides information on where you can inspect copies of documents and the laws governing your investment.**

#### 1.1. Literature request

Investors can obtain free of charge on request, copies of:

1. This prospectus and the key investor information document (if applicable) for each Fund
2. The trust deed by which each Fund is constituted and governed, as amended or supplemented; and
3. The latest annual report and accounts of each Fund and the latest half yearly report

These documents are available on request from us at Schroders Investor Services, FREEPOST, PO BOX 1402, SUNDERLAND, SR43 4AF and can be inspected at 1 London Wall Place, London EC2Y 5AU. The prospectus, Key Investor Information Documents and the Fund report and accounts are also available online at [www.schroders.com/en-gb/uk/individual/fund-centre](http://www.schroders.com/en-gb/uk/individual/fund-centre).

#### 1.2. Legal implications of investing in a Fund and governing law

When we accept your instruction to invest in a Fund, you are confirming your agreement to buy Units. This becomes a binding obligation on you, and you are agreeing to be bound by the terms in this prospectus, the trust deeds and the application form. The prospectus and trust deeds may be amended from time to time. Please see Section A above for where you can find the latest versions of these documents.

Unitholders generally have no direct rights against the service providers appointed as there is no direct contract between them. This means there are only limited circumstances in which a Unitholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against a Fund by the relevant service provider is, in the first case, the Fund itself or the manager acting on behalf of the Fund, as the case may be.

By applying for Units, the relevant Unitholder agrees to be bound by this prospectus. Each of the Funds, each trust deed and this prospectus are governed by the laws of England and Wales. Each of the Funds, Schroders and Unitholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Unitholder's investment in a Fund or any related matter.

If a judgement is made in relation to a Fund in a court or tribunal outside of England and Wales, it will only be effective if that judgement can be recognised and enforced in England and Wales. There are a number of different rules and regulations which may apply to the recognition and enforcement of judgements from other countries, which we can provide you with details of if you contact us. If there is a judgement made in a country that

is not covered by these rules and regulations or the judgment is about a matter which isn't covered by the rules and regulations, then the judgement may still be enforceable under English common law.

## Appendix 1 Fund details

**This section sets out Fund specific details for each of the Funds.**

### General

Please consider the following clarifications before selecting a Fund.

Where a Fund's investment policy refers to investments in corporations of a particular country or region, such reference means (in the absence of any further specification) investments in companies listed, incorporated, headquartered or having their principal business activities in such country or region.

Where a Fund's investment policy refers to investments in non-government bonds, such reference includes (in the absence of any further specification) those issued by quasi-governmental, supra-national agencies and sub-sovereign issuers as well as bonds issued by corporate entities.

Where a Fund's investment policy refers to investments issued in a particular currency, such reference includes (in the absence of any further specification) investments issued in another currency but hedged back to the specified currency.

Where a Fund states that it will invest a percentage or fraction of its assets in a certain way (i) the percentage/fraction is indicative only as, for example, we may adjust the Fund's exposure to certain asset classes in response to adverse market and/or economic conditions and/or expected volatility, when in our view to do so would be in the best interests of the relevant Fund and its Unitholders; and (ii) such assets exclude cash or other liquidities which are not used as backup for derivatives unless otherwise stated. When a Fund states that it invests up to a maximum percentage or fraction of its assets (e.g. 80%) in a certain way, such assets include cash or other liquidities which are not used as backup for derivatives.

Where a Fund states that it will typically be managed with reference to a relevant target benchmark weighting (e.g. active percentage weights in sectors, regions or securities), we will endeavour to not actively trade the position outside of the specified threshold. If the Fund's positions move passively outside of the specified threshold we will look to bring the Fund back into line as market opportunities present themselves providing that we believe this to be in the best interests of investors.

Where a Fund's investment policy includes a benchmark, this has been chosen for the following reasons:

- a. For a comparator benchmark, many funds sold in the UK are grouped into sectors by the Investment Association (the 'IA', the trade body that represents UK investment managers) to help investors to compare funds with broadly similar characteristics. If the Fund is classified in any particular IA sector, this IA sector is shown as a comparator benchmark in the Fund Characteristics. The Fund may also show a comparator benchmark that is a financial index where

we and the investment manager believe that this benchmark is a suitable comparison for performance purposes

- b. For a target benchmark that is a financial index, the benchmark has been selected because it is representative of the type of companies or other types of interest in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide, and can also be used to compare the Fund's overall performance
- c. For a target benchmark that is not a financial index, the benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective
- d. For a constraining benchmark, the benchmark has been selected because the investment manager is constrained by reference to the value, price or components of that benchmark as stated in the investment objective

In addition to the general risks of investing described in **Appendix 3**, it's important that you consider the risks that are most relevant to a particular Fund before you decide to invest. The most relevant risks for each Fund are listed in the 'Fund Characteristics' section for that Fund found in **Appendix 1**, with more details of each risk given in **Appendix 3**.

## Schroder Alternative Portfolio (PRN 1000163)

### Investment Objective

The Fund aims to provide capital growth and income in excess of ICE BofA Sterling 3-Month Government Bill Index plus 2% (after fees have been deducted) over any five to seven year period by investing in alternative assets worldwide. This cannot be guaranteed and your capital is at risk. The Fund also aims to have an average annual beta of up to 0.5 of that of the MSCI All Country World index over any five to seven year period. Beta is a measure of how much an investment's price usually moves up and down compared to the overall market. A beta of 1 means the investment's price moves in line with the market, a beta of greater than 1 means that the investment's price moves more than the market, and a beta of less than 1 means that the investment's price moves less than the market.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds (including Schroder funds), in alternative assets worldwide. Alternative assets may include, but are not limited to, insurance linked securities, distressed securities, contingent convertible bonds, asset-backed securities, mortgage backed securities, private market debt and equity, hedge fund strategies, real estate and commodities. The Fund may only invest in real estate and commodities indirectly.

The Fund may invest up to:

- 10% of its assets in insurance linked securities

- 10% of its assets in contingent convertible bonds
- 20% of its assets in asset-backed securities and mortgage-backed securities. This may include residential mortgage backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralised loan obligations (CLOs) and credit risk transfer securities (CRTs). Other underlying assets of the ABS may also include, but are not limited to, credit card receivables, personal loans, auto loans, transportation finance and small business loans
- 10% of its assets in commodities. The Fund will not acquire any physical commodities directly

The Fund may invest up to 100% of its assets in collective investment schemes managed by Schroders.

The Fund may invest up to 15% of its assets in collective investment schemes with a dealing frequency less than daily but not less than monthly.

The Fund may also invest its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds (including Schroder funds), in equity and equity related securities and fixed and floating rate securities. The Fund may directly or indirectly invest in warrants and money market instruments, and may hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus). The Fund may use leverage indirectly and take short positions.

### Fund Characteristics

Date of authorisation	20 July 2023
Classes of Units	Q1 Accumulation Q2 Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	30 September
Half-yearly accounting date	31 March
Income allocation dates	31 May, 30 November
Profile of a typical investor	The Fund aims to provide diversified long term capital growth with income potential. It may be suitable for investors who are seeking long-term growth potential offered through alternative asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.

Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed ICE BofA Sterling 3-Month Government Bill Index plus 2% after fees have been deducted over a rolling five year period. The Investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.
Benchmark selection	<p>The benchmark has been selected because the target return of the Fund is to exceed the return of that benchmark as stated in the investment objective.</p> <p>The ICE BofA Sterling 3-Month Government Bill Index plus 2% after fees benchmark has been selected as an investible representative of cash plus 2%. Given that this is a multi-asset fund, a cash rate represents the 'risk-free' base rate over which assets with higher risk profiles can earn additional return.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by Schroders	The Fund may invest up to 100% of its Net Asset Value in the units and shares of funds managed by or operated by the manager or an associate of the manager. Where the Fund invests in funds managed by or operated by the manager or an associate, the Schroders Annual Charge and administration charge (if any) paid by these funds to the manager will be rebated to the Fund.
Maximum permitted level of leverage - gross leverage ratio	1.2
Maximum permitted level of leverage - commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>ABS and MBS risk</p> <p>Contingent convertible bonds risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Interest rate risk</p> <p>Liquidity risk</p> <p>Multi-manager risk</p> <p>Private assets risk</p> <p>Real estate and property risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q1	£10,000,000	£10,000	£10,000	0.20%	5%
Q2	None	None	None	0.40%	5%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Schroder Active Asset Allocation Portfolio

### Investment Objective

The Fund aims to provide capital growth and income in excess of a customised benchmark (after fees have been deducted\*) over any three year period by investing in a diversified range of assets and markets worldwide. The Fund's customised benchmark comprises 60% MSCI ACWI (NDR) GBP, 20% Bloomberg Global Treasury Index (GBP Hedged) and 20% Bloomberg Global Aggregate Corporate Index (GBP hedged).

\*For the relevant fees of each unit class please visit the Schroder website <https://www.schroders.com/en/uk/>.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds (including Schroder funds), in equities and equity related securities, fixed and floating rate securities and alternative assets worldwide.

The Investment Manager uses tactical asset allocation which means that, within the framework of the Fund's long term strategic priorities, the Investment Manager takes a tactical view on asset classes over shorter time periods in order to manage exposure to different asset classes with the objective of adding value

Alternative assets may include, but are not limited to, absolute return strategies, commodities and real estate. The Fund may only invest in real estate and commodities indirectly.

The Fund may invest up to 100% of its assets in collective investment schemes managed by Schroders.

The Fund may also invest directly, or indirectly in warrants and money market instruments and may hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to section 5 of Appendix I of the Prospectus.)

### Fund Characteristics

Classes of Units	Q1 Accumulation
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	30 September
Half-Yearly Accounting Date	31 March
Income Allocation Dates	31 May, 30 November
Profile of a Typical Investor	The Fund aims to provide capital growth with income through investment in a multi-asset balanced portfolio of collective investment schemes managed by Schroders, equities, bonds and alternative assets. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark which comprises 60% MSCI ACWI Index (NDR) GBP, 20% Bloomberg Global Treasury Index (GBP hedged), and 20% Bloomberg Global Aggregate Corporate Index (GBP hedged). The investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmarks.
Benchmark Selection	The benchmark has been selected because the target return of the Fund is to exceed the return of that benchmark as stated in the investment objective.
Total Return Swaps	The Fund may use derivatives (including total return swaps) for investment purposes as well as for efficient portfolio management purposes. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Policy. Long and short positions gained through bond total return swaps may increase exposure to credit related risks.

Global Risk Exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. For further information please see Appendix 1. Section 5: "Using Derivatives for specific investment purposes".
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or an associate of the Manager. Where the Fund invests in funds managed by or operated by the Manager or member of the Schroders group, the management charges (if any) paid by these funds to the Manager (or the relevant member of the Schroders group) will be rebated to the Fund.
Maximum Permitted Level of Leverage – gross leverage ratio	600%
Maximum Permitted Level of Leverage – commitment leverage ratio	300%

#### Unit Class Features

Classes of Units	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding	Schroders Annual Charge	Initial Charge
Q1	None	None	None	0.25%	5.00%

## Schroder Countrywide Managed Balanced Fund (PRN 925770)

### Investment Objective

The Fund aims to provide capital growth and income in excess of a customised benchmark (before fees have been deducted<sup>1</sup>) over any three year period by investing in a diversified range of assets and markets worldwide. The Fund's customised benchmark comprises 35% FTSE All Share (Net Total Return), 42% MSCI ACWI Index (NDR) GBP, 4.25% iBoxx UK Gilts, 4.25% iBoxx UK Non-Gilts, 6.25% BB Global Aggregate Treasury (GBP hedged), 6.25% BB Global Aggregate Corporate (GBP hedged) and 2% ICE BofA Sterling 3-Month Government Bill Index.

### Investment Policy

The Fund is actively managed and invests indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds, in equities and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest in real estate. The Fund may invest up to 100% of its assets in collective investment schemes managed by Schroders. The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments and hold cash. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus.)

### Fund Characteristics

Date of authorisation	6 May 2020
Classes of Units	Q1 Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	31 August
Half-yearly accounting date	28 February
Income allocation dates	30 April, 31 October
Profile of a typical investor	The Fund aims to provide capital growth with income through investment in a multi-asset balanced portfolio of collective investment schemes managed by Schroders, equities, bonds and alternative assets. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark which comprises 35% FTSE All Share (Net Total Return), 42% MSCI ACWI Index (NDR) GBP, 4.25% iBoxx UK Gilts, 4.25% iBoxx UK Non-Gilts, 6.25% BB Global Aggregate Treasury (GBP hedged), 6.25% BB Global Aggregate Corporate (GBP hedged) and 2% ICE BofA Sterling 3-Month Government Bill Index.
Benchmark selection	The benchmark has been selected because the target return of the Fund is to exceed the return of that benchmark as stated in the investment objective.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. For further information please see <b>Appendix 2. Section 6: 'Using Derivatives for specific investment purposes'</b> .
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.

<sup>1</sup> For the relevant fees of each unit class please visit the Schroder website <https://www.schroders.com/en/uk/>.



Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Maximum permitted level of leverage – gross leverage ratio	3.0
Maximum permitted level of leverage – commitment leverage ratio	2.0
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q1	None	None	None	Up to 1.27%	None

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Schroder Diversified Growth Fund (PRN 488714)

### Investment Objective

The Fund aims to provide capital growth and income of the ICE BofA Sterling 3-Month Government Bill Index plus 4.5% per annum (before fees have been deducted<sup>1</sup>) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and could change according to prevailing market conditions. Your capital is at risk.

The Fund aims to achieve this with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a five to seven year period of less than 67% of that of global stock markets (represented by the MSCI All Country World GBP hedged index).

### Investment Policy

The Fund is actively managed and invests its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment

trusts or closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative asset classes worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate, private equity and commodities. The weightings of these holdings are adjusted in response to changing market conditions.

The Fund may invest more than 10% of its assets in collective investment schemes (including other Schroder funds).

The Fund may also invest in warrants and money market instruments, and may hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus). The Fund may use leverage and take short positions.

### Fund Characteristics

Date of authorisation	14 November 2008
Classes of Units	I Accumulation X Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Sub-investment manager	Schroder Investment Management North America Inc
Annual accounting date	5 March
Half-yearly accounting date	5 September
Income allocation date	5 May
Profile of a typical investor	The Fund aims to provide capital growth and income potential. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark of the ICE BofA Sterling 3-Month Government Bill Index plus 4.5%, and compared against the MSCI AC World (Net Total Return) GBP Hedged Index.
Benchmark selection	The benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The ICE BofA Sterling 3-Month Government Bill Index plus 4.5% benchmark has been selected as an investible representative of cash plus 4.5%. Given that this is a multi-asset fund, a cash rate represents the 'risk-free' base rate over which assets with higher risk profiles can earn additional return.

<sup>1</sup> For the relevant fees of each unit class please visit the Schroder website <https://www.schroders.com/en/uk/>.

	The comparator benchmark has been selected because Schroders and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Global risk exposure	<p>The Fund may use derivative instruments for efficient management and for specific investment purposes. For further information please see <b>Appendix 2. Section 6: "Using Derivatives for specific investment purposes"</b>.</p> <p>The Fund employs the relative Value-at-Risk (VaR) approach to measure its global risk exposure.</p>
VaR benchmark	MSCI AC World (Net Total Return) GBP Hedged Index
Investment in Schroder UK Real Estate Fund	<p>The Fund may invest up to 5% of its assets in Schroder UK Real Estate Fund (SREF) which is an FCA authorised Qualified Investor Scheme and is constituted as a Property Authorised Investment Fund. SREF invests some of its assets in real estate investments which are structured as collective investment schemes. SREF may in turn invest up to 15% of its net asset value in collective investment schemes as well as investing in special purpose vehicles for the purpose of holding property.</p> <p>Please note that the Fund is not required to maintain an investment in SREF, but may make such an investment at the discretion of the investment manager at any time.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Maximum permitted level of leverage – gross leverage ratio	6.0
Maximum permitted level of leverage – commitment leverage ratio	3.0
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>Private assets risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>
Total return swaps	The Fund may use derivatives (including total return swaps) for investment purposes as well as for efficient portfolio management purposes. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its investment objective and policy. Long and short positions gained through bond total return swaps may increase exposure to credit-related risks. The gross exposure of total return swaps will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

## Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£1,000,000	£20,000	£1,000,000	0.58%	0.00%
X	None	None	None	0.01%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Schroder Monthly Income Fund (PRN 577112)

### Investment Objective

The Fund aims to provide monthly income equal to 5% per annum by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed end funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds).

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments and hold cash.

The Fund may use derivative instruments with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	13 March 2012
Classes of Units	A Income and A Accumulation Z Income and Z Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	15 November
Half-yearly accounting date	15 May
Other accounting dates	15 January, 15 February, 15 March, 15 April, 15 June, 15 July, 15 August, 15 September, 15 October, 15 December
Income allocation dates	15 January, 15 February, 15 March, 15 April, 15 May, 15 June, 15 July, 15 August, 15 September, 15 October, 15 November, 15 December
Profile of a typical investor	The Fund may be suitable for investors who are seeking a regular monthly income through exposure to equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against the income target of 5% per annum and compared against the Investment Association Mixed Investment 20%-60% Shares Sector average return.
Benchmark selection	The benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.  The comparator benchmark has been selected because Schroders and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.

Schroders Annual Charge being charged wholly to capital	As a result of the Schroders Annual Charge being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income may result in an increase in Unitholder's personal income tax liability.
Maximum permitted level of leverage – gross leverage ratio	5.0
Maximum permitted level of leverage – commitment leverage ratio	2.0
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Capital erosion risk</p> <p>Capital risk/distribution policy risk</p> <p>Concentration risk</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
A	£1,000 or £50 per month under regular savings plan	£500	£1,000	1.49%	0.00%
Z	£50,000	£10,000	£50,000	0.87%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.



# Schroder Scottish Friendly Managed Fund (PRN 1002329)

## Investment Objective

The Fund aims to provide capital growth and income in excess of a customised benchmark (before fees have been deducted <sup>1</sup>) over any three year period by investing in a diversified range of assets and markets worldwide. The Fund's customised benchmark comprises 20% FTSE All Share (Net Total Return), 50% MSCI ACWI Index (NDR) GBP, 16% Bloomberg Global Aggregate Treasury Index (hedged to GBP), 11% Bloomberg Global Aggregate Corporate Index (hedged to GBP), 2% Bloomberg Global High Yield exCMBS exEMG Index GBP hedged (2% capped) and 1% ICE BofA Sterling 3-Month Government Bill Index.

## Investment Policy

The Fund is actively managed and invests indirectly, through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended

funds, in equities and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest in real estate. The Fund may invest up to 100% of its assets in collective investment schemes managed by Schroders.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

## Fund Characteristics

Date of authorisation	5 September 2023
Classes of Units	Q1 Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	31 July
Half-yearly accounting date	31 January
Income allocation dates	31 March, 30 September
Profile of a typical investor	The Fund aims to provide capital growth with income through investment in a multi-asset balanced portfolio of collective investment schemes managed by Schroders, equities, bonds and alternative assets. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark which comprises 20% FTSE All Share (Net Total Return), 50% MSCI ACWI Index (NDR) GBP, 16% Bloomberg Global Aggregate Treasury Index (hedged to GBP), 11% Bloomberg Global Aggregate Corporate Index (hedged to GBP), 2% Bloomberg Global High Yield exCMBS exEMG Index GBP hedged (2% capped) and 1% ICE BofA Sterling 3-Month Government Bill Index. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.
Benchmark selection	The benchmark has been selected because the target return of the Fund is to exceed the return of that benchmark as stated in the investment objective.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. For further information please see <b>Appendix 2. Section 6: "Using Derivatives for specific investment purposes"</b> .
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.

<sup>1</sup> For the relevant fees for each unit class please visit the Schroder website <https://www.schroders.com/en/uk/>

Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Maximum permitted level of leverage – gross leverage ratio	3.0
Maximum permitted level of leverage – commitment leverage ratio	2.0
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q1	None	None	None	Up to 1.00%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

# Schroder Worldwide Corporate Bond Portfolio

## Investment Objective

The Fund aims to provide capital growth and income in excess of the Bloomberg Global Aggregate Corporate (hedged to GBP) index (after fees have been deducted) over any three to five year period by investing in a diversified range of fixed and floating rate securities worldwide.

## Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes, exchange traded funds or closed ended funds (including Schroder funds), in fixed and floating rate securities issued by companies worldwide.

The Fund may also invest directly or indirectly in fixed and floating rate securities issued by governments, government agencies, and supra-nationals worldwide.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds).

The Fund may also invest directly or indirectly in money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to Section 5 of Appendix 1 of the Prospectus).

## Fund Characteristics

Classes of Units	Q Accumulation
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	30 September
Half-Yearly Accounting Date	31 March
Income Allocation Dates	31 May, 30 November
Profile of a Typical Investor	The Fund is a low-medium risk Fund aiming to provide income with some capital growth potential through investment, directly or indirectly, in fixed and floating rate securities worldwide. It may be suitable for investors who are seeking to combine income with some capital growth opportunities in the relative stability of the debt markets over the long-term. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix 3 and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed the Bloomberg Global Aggregate Corporate (hedged to GBP) index after fees have been deducted over any three to five year period. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark .
Benchmark Selection	The benchmark has been selected because the target return of the Fund is to exceed the return of that benchmark as stated in the investment objective.
Global Risk Exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. For further information please see Appendix 1. Section 5: "Using Derivatives for specific investment purposes".
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.

Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, management charges of such funds (if any) will be paid by the Fund and not rebated.
Maximum Permitted Level of Leverage – gross leverage ratio	300%
Maximum Permitted Level of Leverage – commitment leverage ratio	200%

#### Unit Class Features

Classes of Units	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding	Schroders Annual Charge	Initial Charge
Q	None	None	None	0.46%	5.00%

# Schroder Sustainable Future Multi-Asset Fund<sup>1</sup> (PRN 478531)

## Investment Objective

The Fund aims to provide capital growth and income of the ICE BofA Sterling 3-Month Government Bill Index plus 3.5% per annum (before fees have been deducted<sup>2</sup>) over a five to seven year period by investing in a diversified range of assets and markets worldwide which the Investment Manager deems to be:

- **Low carbon investments** – companies or countries that are operating at a greenhouse gas (GHG) intensity below the level required to meet net zero GHG emissions by 2050 (net zero), based on their most recently reported or estimated emissions. This portion of the Fund is aligned with the 'Sustainability Focus' label requirements

or

- **Decarbonising investments** – companies or countries that have the potential to reduce their GHG intensity below the level required to meet net zero, based on the targets those issuers have publicly committed to and/or evidence of previous emissions reductions. This portion of the Fund is aligned with the 'Sustainability Improvers' label requirements

The Fund aims to achieve this with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a five to seven year period of between 50% to 67% of that of global stock markets (represented by the MSCI All Country World GBP hedged index). This financial return cannot be guaranteed and could change according to prevailing market conditions. Your capital is at risk.

## Investment Policy

The Fund is actively managed and invests its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative asset classes worldwide (including emerging markets and less developed markets). Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate, private equity and commodities. The weightings of these holdings are adjusted in response to changing market conditions.

The Fund may invest more than 10% of its assets in collective investment schemes (including other Schroder funds). The Fund may also invest in warrants and money market instruments, and may hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus). The Fund may use leverage and take short positions.

The Fund invests at least 70% of its portfolio in assets which the Investment Manager deems to be either:

- Low carbon investments** – these are companies or countries which are operating at a GHG intensity below the level required to meet net zero GHG emissions by 2050, in line with the EU Technical Expert Group (TEG) on Sustainable Finance's recommendation<sup>2</sup> that the global economy should decrease emissions by 7% per year (which equates to approximately a 90% reduction from 2020 levels to 2050).

Companies whose GHG intensity is 90% lower than the average intensity of their industry group in 2020 are therefore classified as low carbon. Countries are classified as low carbon if their GHG intensity is 90% below 2020 levels. GHG intensity is calculated using scope 1 and 2 emissions divided by a company's sales (tonnes of carbon equivalent per \$1 million of sales), or a country's nominal gross domestic product (tonnes of carbon equivalent per \$1 million of nominal GDP). The calculation is based on the most recent reported data available (or where an issuer has not reported emissions data, estimated data may be used).

- Decarbonising investments** – these are companies or countries that have the potential to achieve a GHG intensity below the level required to meet net zero, based on the targets those companies or governments have publicly committed to or evidence of previous emissions reductions.

A company can demonstrate this potential by meeting at least one of the following criteria:

- The company has set targets to reduce scope 1 and 2 emissions in the mid-term (5-15 years) or long-term (>15 years), which translate to a company temperature alignment score of less than 2.5°C based on an industry-standard methodology (the [CDP-WWF Temperature Scoring Methodology](#)).
- The company has publicly committed to develop science-based emissions reduction targets and submit these to the Science Based Targets Initiative (SBTi) for validation within two years of their commitment.
- The company has a downwards trend in scope 1 and 2 emissions intensity over the past six years.
- The company's trend in scope 1 and 2 emissions intensity over the past six years is lower (i.e. it is decarbonising faster) than its respective industry group average trend over the same period.
- The company's scope 1 and 2 emissions intensity, based on the most recently reported or estimated emissions, is below the level required for its relevant industry group to be in line with a 2°C pathway.

<sup>1</sup> With effect from 1 April 2022, Schroder Dynamic Multi Asset Fund changed its name to Schroder Sustainable Future Multi-Asset Fund and changed its investment objective and policy

<sup>2</sup> For the target return after fees for each unit class please visit the Schroder website <https://www.schroders.com/en/uk/private-investor/investing-with-us/historical-ongoing-charges/>.

A country can demonstrate this potential if its government has publicly committed to mid-term (5-15 years) or long-term (>15 years) emissions reduction targets that are in line with achieving net zero, based on those countries having established 'net zero' or equivalent national emissions reduction targets in the public Net Zero Tracker database, or similar other sources.

Absolute emissions measure the total amount of emissions of the issuer, while emissions intensity measures emissions relative to an issuer's revenue. Scope 1 and 2 emissions come from an issuer's direct activities and indirect energy consumption. Please note that the assessments above do not include scope 3 emissions, which means that indirect emissions from an issuer's value chain are not taken into account.

Please see **"What is the Investment Manager's approach to sustainability?"** below for more details on how the Investment Manager assesses sustainability (or the potential to achieve it) and why the Investment Manager believes that these standards of sustainability are appropriate.

The Fund is not permitted to invest in any companies that conflict with the sustainability objective. Please see **"What will the Investment Manager avoid investing in?"** below for more details.

The Investment Manager also engages with selected issuers (for direct investments) and managers (for indirect investments) held by the Fund on sustainability issues. Please see **"How does the Investment Manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?"** below for more details.

## Sustainability Criteria

This section describes the sustainable features of the Fund in more detail.

### Does the Fund use a Sustainability Label?

Sustainability Labels help investors find products that have a specific sustainability goal.



This Fund uses the Sustainability Mixed Goals label, which is for funds that invest mainly in a mix of assets that focus on sustainability (Sustainability Focus), aim to improve their sustainability over time (Sustainability Improvers), or aim to achieve a positive impact for people or the planet (Sustainability Impact).

The Fund will invest at least 70% of its assets in investments that are either low carbon investments (Sustainability Focus) or decarbonising investments (Sustainability Improvers), in the following proportions:

- Low carbon investments – 1-99%
- Decarbonising investments – 1-99%

At the point the Sustainability Label was first applied, the Fund held the majority of its assets in decarbonising investments, with a smaller percentage in low carbon investments. As the Investment Manager aims to support assets' decarbonisation over time, an increasing number of investments are expected to transition (a) from not being aligned with the sustainability objective to being decarbonising investments; and (b) from being decarbonising investments to being low carbon investments. It is challenging to predict the rate at which assets will achieve this transition, so the allocation to each category will vary over time. Investors can find details of how the Fund has invested in practice within the latest consumer facing disclosure (CFD) and the periodic product level sustainability report, which can be accessed via <https://www.schroders.com/en-gb/uk/individual/fund-centre> (once available).

### What is the Fund's sustainability objective?

**A fund's sustainability objective explains what positive outcomes for the environment and/or society it tries to achieve.**

The Fund's sustainability objective is to invest in a diversified range of assets and markets worldwide which the Investment Manager deems to be:

- **Low carbon investments** – companies or countries that are operating at a greenhouse gas (GHG) intensity below the level required to meet net zero GHG emissions by 2050 (net zero), based on their most recently reported or estimated emissions. This portion of the Fund is aligned with the 'Sustainability Focus' label requirements.
- or
- **Decarbonising investments** – companies or countries that have the potential to reduce their GHG intensity below the level required to meet net zero, based on the targets those issuers have publicly committed to and/or evidence of previous emissions reductions. This portion of the Fund is aligned with the 'Sustainability Improvers' label requirements.

### Why is this objective expected to lead to a positive outcome for the environment and/or society?

By investing in companies and countries that are operating at a greenhouse gas (GHG) intensity below the level required to meet net zero (or those that have the potential to achieve this over time), the Fund aims to help them continue to contribute to the positive sustainability outcome of reducing GHG emissions and therefore slowing global warming. The Fund's holdings in such investments may also allow the Investment Manager, through engagement, to encourage them to set better emissions reduction targets and to further reduce their GHG emissions in practice.

### What is the Investment Manager's approach to sustainability?

**This section explains how the Investment Manager assesses sustainability (or the potential to achieve it) and the types of investments it will not choose for sustainability reasons.**



How does the Investment Manager identify low carbon investments?

**This portion of the Fund is aligned with the requirements of the Sustainability Focus label. A fund using this Sustainability Label must decide which investments meet its sustainability objective using a robust, evidence-based standard that is an absolute (rather than relative) measure of sustainability. This section explains what that standard is for the Fund.**

A company or country is classified as low carbon if it is operating at a GHG intensity below the level required to meet net zero, in line with the decarbonisation trajectory recommended by the EU Technical Expert Group (TEG) on Sustainable Finance report on climate benchmarks. This trajectory is derived from the Intergovernmental Panel on Climate Change's (IPCC's) 1.5°C pathway, which establishes that achieving net zero by 2050 would require the global economy to reduce emissions by 7% per year; this equates to approximately a 90% reduction from 2020 emission levels.

For companies, the Investment Manager applies this 90% reduction to the relevant industry group (based on The Reference Data Business Classification) average GHG intensity in 2020 to calculate the implied levels of emissions in a net zero scenario, then determines if a company's current intensity is below the level for its relevant industry group. For countries, that level is determined by applying a 90% reduction to the country's GHG intensity in 2020.

The calculation is based on the most recent reported data available (or where an issuer has not reported emissions data, estimated data may be used).

**a. Why is this standard appropriate?**

- **Scientific backing** – the concept of net-zero aligns with an extensive body of scientific research, particularly the IPCC Special Report on the impacts of global warming which has identified 1.5°C as an essential limit to curb global warming. This research emphasises the need to balance greenhouse gas emissions with the removal of these gases from the atmosphere to stabilise global temperatures and mitigate climate change. The IPCC is a body consisting of governments from the United Nations or World Meteorological Organization (WMO) members, offering ongoing assessments of the scientific foundation of climate change.
- **Target of the Paris Agreement** – net zero underpins the goals of the Paris Agreement (an international treaty on climate change), which aims to limit global

temperature rise to well below 2°C above pre-industrial levels and pursue efforts to limit this increase to 1.5°C. Achieving net-zero emissions supports the achievement of these targets.

- **Measurable** – net zero provides a clear and measurable goal for companies, governments, and other stakeholders. It requires the precise calculation of emissions and the implementation of strategies to reduce and offset these emissions, making it a tangible target for climate action.
- **Covers both GHG emissions reduction and removal** – net zero emphasises the importance of not only reducing greenhouse gas emissions but also removing existing carbon dioxide from the atmosphere. This dual approach promotes a more comprehensive approach to combat climate change.
- **Independent support for calculation methodology** – independent analysis by organisations including the EU Technical Expert Group (TEG) on Sustainable Finance and the IPCC indicates that approximately a 90% reduction in global emissions – and similar rates of reduction in individual economic industry groups – will be necessary to meet the global objective of reaching net zero. Achieving the global goal of net zero will require some areas of the economy to decarbonise faster than other hard-to-abate activities, which are expected to account for a larger share of residual emissions in a net zero scenario. Typical net zero scenarios, including the IPCC's 1.5°C pathway, account for these residual emissions being offset by removals elsewhere in the economy to net the global emissions balance.

How does the Investment Manager identify decarbonising investments?

**This portion of the Fund is aligned with the requirements of the Sustainability Improvers label. A fund using this Sustainability Label must decide which investments meet its sustainability objective based on their potential to become sustainable over time. This section explains how the Investment Manager assesses that potential.**

A company or country is deemed to be a decarbonising investment if it has the potential to achieve a GHG intensity below the level required to meet net zero, in line with the assessment described above. A company or country will be classified as decarbonising if it meets one or more of the minimum requirements below, based on its emission reduction targets or evidence of previous emissions reductions.

## Thresholds for companies

Category	Threshold	Why is this appropriate?
Targets	Company has set targets to reduce scope 1 and 2 emissions in the mid-term (5–15 years) or long-term (>15 years), which translate to a company temperature alignment score of less than 2.5°C based on the CDP-WWF Temperature Scoring Methodology. Details of the methodology can be found here: <a href="#">CDP-WWF Temperature Scoring Methodology - CDP</a> . Targets must cover at least 20% of a company's in-scope emissions to be considered valid.	We set a threshold of 2.5°C as a minimum standard to account for companies that are at an earlier stage of their decarbonisation journey and may not yet have set targets in line with a 1.5°C pathway, but have nonetheless demonstrated potential to decarbonise. Internal research indicates that the majority of companies that have set any emissions reduction target go on to set a net zero target, implying that initial target setting is a valuable signal of future intent to strengthen those targets. Additional internal analysis shows that companies which have set targets (at any level) have historically reduced their emissions more quickly than those which did not set targets. The CDP-WWF methodology is an industry standard methodology which provides a public, transparent, and science-based protocol to assess the temperature alignment of companies. The involvement of WWF, a respected environmental organisation, also adds an additional layer of credibility and ensures that the methodology is grounded in environmental expertise.
	Company has publicly committed to develop science-based emissions reduction targets and submit these to the Science Based Targets Initiative (SBTi) for validation within two years of their commitment.	SBTi ensures that corporate targets are in line with the latest climate science to meet the goals of the Paris Agreement. Companies with an SBTi commitment are required to submit science-based targets to the SBTi for validation within two years of their commitment. To receive validation, targets must set out a clearly defined pathway to reduce emissions in line with the Paris Agreement goal to limit global warming to 1.5°C above pre-industrial levels, which requires emissions to reach net zero by 2050.

Category	Threshold	Why is this appropriate?
Progress	Company has a downwards trend in scope 1 and 2 emissions intensity over the past six years.	Internal research indicates that a downwards trend signals that the company has a track-record of reducing emissions and has the potential to continue on this path. Companies' decarbonisation trends are assessed over 6 years to ensure that their reduction in emissions is consistent (whilst allowing for minor deviations from this trend in individual years).
	Company's trend in scope 1 and 2 emissions intensity over the past 6 years is lower (i.e. it is decarbonising faster) than its respective industry group average trend over the same period.	Achieving the global goal of net zero will require some areas of the economy to decarbonise faster than other hard-to-abate activities, which are expected to account for a larger share of residual emissions in a net zero scenario. Assessing companies' decarbonisation efforts relative to peers, rather than in isolation, recognises that each industry group faces different regulatory requirements, technological capabilities and market dynamics which will determine the rate and extent of emissions reduction. The Smith School of Enterprise and the Environment recommends this approach helps identify climate leaders and laggards <sup>3</sup> : companies that have demonstrated outpaced progress and decoupled from their industry group average trend indicates they have a greater potential than peers to decarbonise toward net zero.
	Company's scope 1 and 2 emissions intensity, based on the most recently reported or estimated emissions, is below the level required for its industry group to be in line with a 2°C pathway. To calculate this, the Investment Manager applies a rate of decarbonisation of 3% per year from the industry group average emissions intensity from 2020 to 2030 to estimate a 2°C pathway, and compares a company's most recent emissions intensity to its relevant industry pathway level in the same year.	While not all companies are currently aligned to a 1.5°C pathway, they may be demonstrating progress towards it and be in line with the Paris Agreement's upper limit of 2°C. The rate of decarbonisation applied in the calculation is supported by the UNEP Emissions Gap Report in 2019, which assessed that global emissions would need to be reduced by 2.7% per year from 2020 to 2030 to be on track for the 2°C goal.

#### Thresholds for countries

Category	Threshold	Why is this appropriate?
Targets	Government has publicly committed to mid-term (5-15 years) or long-term (>15 years) emissions reduction targets that are in line with achieving global net zero, based on those countries identified as having established 'net zero' or equivalent national emissions reduction targets in the public Net Zero Tracker database, or similar other sources.	Net zero underpins the goals of the Paris Agreement, which aims to limit global temperature rise to well below 2°C above pre-industrial levels and pursue efforts to limit this increase to 1.5°C. Countries whose governments have set targets in line with this goal are expected to decarbonise accordingly and contribute to global mitigation efforts.

#### Is the process different when the Fund invests in another fund?

When deciding whether to invest in another fund, the Investment Manager performs due diligence on the fund's manager to ensure their approach aligns with the Fund's sustainability objective, as well as reviewing the investments of that fund individually against the tests set

out above. This approach ensures direct and indirect assets are assessed against the same criteria. The underlying assets of the fund must also be compliant with the Fund's exclusions designed to avoid assets that conflict with the Fund's sustainability objective before the Investment Manager can invest – please see **"What will the Investment Manager avoid investing in?"** below for more details.

What targets are used to assess whether the Fund's investments are improving over time?

The Investment Manager has set the following fund-level targets for improvement over time:

- **Short term:** a carbon footprint\* of equal to or below 50% of its carbon footprint at the base date\*\* (i.e. a 50% reduction) by 2030.
- **Medium term:** a carbon footprint\* should be equal to or below 25% of its carbon footprint at the base date\*\* (i.e. a 75% reduction) by 2040.
- **Long term:** a net zero carbon footprint\* by 2050.

\* A carbon footprint represents the total amount of GHG emitted by an issuer.

\*\* Base date is 31 December 2019.

What will the Investment Manager avoid investing in?

**A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the Investment Manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.**

The Fund does not directly invest in assets that the Investment Manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcome it seeks.

The Investment Manager defines conflicting assets as investments with such high GHG emissions that they are significantly contributing to the total global carbon budget, and therefore increasing the future physical risks of climate change. Such investments are identified using the following measures:

Investment type	Threshold
Companies	Companies with a GHG intensity of more than 20,000 tonnes of CO <sub>2</sub> for every million euros of their value, including cash they hold ('enterprise value including cash'), or their revenue, and which do not have any carbon reduction initiatives.
Countries	Countries with a GHG intensity of 2,800 tons or more for every \$1 billion of GDP.

The Investment Manager will continue to review and may make changes it considers necessary to enhance the integrity of these criteria.

The Investment Manager also applies restrictions on investments with direct exposure above a certain level to certain harmful activities or products (such as controversial weapons, tobacco and thermal coal).

More details on the Fund's exclusions and related exposure thresholds (including those used to identify conflicting assets) can be found under 'Sustainability

Information' on the Fund's webpage, accessed via <https://www.schroders.com/en-gb/uk/individual/fund-centre/>.

What else might the Fund invest in?

**The Fund commits to holding a minimum percentage of investments that are sustainable (or have the potential to become sustainable), as set out in the investment policy. In addition to these investments, the Fund may hold other investments provided that they do not conflict with the sustainability objective. This section explains what other investments the Fund may hold, and why.**

The Fund invests at least 70% of its portfolio in assets that are aligned with the sustainability objective.

The Fund may also hold assets that are not aligned with the sustainability objective for liquidity, risk management or diversification purposes. These may include assets that are treated as neutral for sustainability purposes such as cash, money market instruments and derivatives used with the aim of reducing risk or managing the Fund more efficiently (where permitted by the investment policy). They may also include investments that the Investment Manager believes may be able to meet the sustainability objective over time, or other investments that the Investment Manager believes are appropriate for diversification of the Fund's portfolio or the pursuit of the investment objective. The Investment Manager carries out an assessment of these assets to ensure that they do not conflict with the sustainability objective, based on the screening mentioned above and consideration of any incident or verified credible claim of adverse conduct or practices. No investment will be held if the Investment Manager determines that there would be a conflict with the Fund's sustainability objective.

Could the Fund's investments lead to material negative outcomes for the environment and/or society?

**Although the Fund aims to achieve the positive outcome for the environment/society set out in the sustainability objective, other unintended negative outcomes for the environment/society could be caused by the Fund's investments. This section explains what those outcomes could be.**

Through their policies and projects, all companies and countries have both negative and positive effects on society and the environment. Although the Fund aims to select investments that are operating at a GHG intensity below the level required to meet net zero (or have the potential to achieve this), the issuers will still produce some negative outcomes for the environment and society in other areas. For example:

- Companies that are investing to decarbonise may in turn push the cost of these investments on to the end consumer through price increases. This may result in issues of affordability and increased social inequality. For example, a producer of sustainable aviation fuel needs to charge much higher prices to airlines versus the cost of traditional jet fuel, which the airline may in turn recover through a higher air fare.

- Governments may adopt economic policies that promote lower GHG emissions to produce an environmental benefit, but could also produce a social cost if it does not provide re-training programmes for displaced labour (such as internal combustion engine engineers).

For 'improving' assets (such as the decarbonising investments held by the Fund) that are not yet deemed sustainable, the materiality of negative environmental and/or social outcomes could potentially be more significant. These issuers may still produce significant GHG emissions in the interim before they decarbonise, and negative outcomes in other areas. For example:

- a car manufacturer may be increasing the proportion of electric vehicles it produces, resulting in a future environmental benefit through a decrease in future GHG emissions, but it still manufactures vehicles with internal combustion engines that burn fossil fuels, producing GHG emissions that contribute to climate change.
- a steel manufacturer may be investing in electric arc furnaces to produce green steel in the future, resulting in a future environmental benefit through a decrease in future GHG emissions, but such a project takes time to build requiring the continued use of coal in the interim, producing GHG emissions that contribute to climate change.
- A country may be a manufacturing hub for renewable energy equipment which it exports to other countries to enable the global energy transition beyond its borders, but the emissions (and waste) generated by the production of this equipment is attributed only to the country of export.
- A country may have large critical mineral resources and be scaling mining and processing operations to use these minerals for energy transition technologies, but the extraction process may be powered by energy-dense fossil fuels which, when combusted, produce GHG emissions that contribute to climate change.

### Could the Fund's sustainability objective have a negative effect on financial risks and returns?

**This section explains how the Fund's pursuit of its sustainability objective could affect the more general risks related to the Fund, and the financial returns that it aims to achieve.**

The Fund applies sustainability criteria in its selection of investments. This investment focus may limit the Fund's exposure to some companies, sovereigns, industries or sectors and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria. Any reduction in the investment universe, based on factors unrelated to financial considerations, could potentially limit financial returns and/or increase financial risks.

To identify and mitigate sustainability risks, the investment decision making process for the Fund includes the consideration of these risks alongside other factors. A

sustainability risk is an environmental or social event or condition that, if it occurs, could cause an actual or potential material negative effect on the value of an investment and the returns of the Fund. Although different strategies may require different approaches to the integration of such risks, the Investment Manager will typically assess potential investments by looking at the overall costs and benefits to society and the environment that an issuer may generate, or how the market value of an issuer may be influenced by individual sustainability risks. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders, including an assessment of whether those relationships are managed in a sustainable manner and, therefore, whether there are any material risks to the market value of the issuer.

As Unitholders may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of particular Unitholders.

### How does the Investment Manager monitor whether the Fund is meeting its sustainability objective?

- **What are the Investment Manager's policies and procedures to ensure that the Fund is meeting its sustainability objective?**

**Funds using a Sustainability Label must have appropriate policies and procedures in place to support their achievement of their sustainability objective. This section provides details of those policies/procedures.**

The Fund's compliance with the requirement to invest at least 70% of its portfolio in investments aligned with its sustainability objective is monitored systematically on an ongoing basis via the Investment Manager's compliance control framework. The Fund also applies certain exclusions as referred to above, with which the Investment Manager monitors compliance on an ongoing basis via its Investment Manager's compliance framework.

- **What Key Performance Indicators (KPIs) does the Investment Manager use to assess whether the fund is meeting its sustainability objective?**

**Funds using a Sustainability Label must set KPIs that demonstrate whether the fund is achieving or progressing towards its sustainability objective over time. This section sets out the relevant KPIs for the Fund.**

The Investment Manager uses the KPIs below to assess whether the Fund is meeting or progressing towards its sustainability objective. The KPIs aim to assess whether the Fund can be deemed to have invested in companies or countries operating at a GHG intensity below the level required to meet net zero (or those with the potential to achieve this), during the previous reporting period. The reporting frequency will usually be 12 months, but may be longer in respect of the first year that the Fund applies a Sustainability Label and shorter for the second year.



KPIs	Purpose
Proportion of the Fund's portfolio aligned with Sustainability Focus/ Sustainability Improvers.	This KPI illustrates how the Fund's assets are split between investments that are currently operating at a GHG intensity below the level required to meet net zero, and those with the potential to achieve this over time.
Reduction in the carbon footprint of the Fund based on a rolling three-year average.	This KPI helps to illustrate the Fund's overall reduction in emissions over time.
Percentage increase in companies/ countries with targets in line with net zero.	The Sustainability Improvers portion of the Fund aims to select companies or countries that are progressing towards net zero by 2050. A year-on-year increase in the proportion of companies/ countries committed to net zero targets indicates increasing progress towards the Fund's decarbonisation objective.

### How does the Investment Manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?

**Funds using a Sustainability Label must have a 'stewardship' strategy designed to support their achievement of their sustainability objective, which sets out how the Investment Manager will try to influence the management teams of its investments to encourage behaviour that supports the Fund's sustainability objective and discourage behaviour that does not. This section summarises what types of engagement the Investment Manager may use and the types of topics it may engage on.**

#### b. Engagement with companies

The Investment Manager engages with selected companies (for direct investments) and managers (for indirect investments) to understand how investments are managing the following climate change considerations:

- **Climate risk and oversight:** the Investment Manager believes that strong governance is critical to ensure that companies are equipped to deal with strategic and financial risks from climate change. Engagement topics may therefore include encouraging the disclosure of key information on material climate factors that could impact the investment, and holding the board to account for their oversight of climate strategies and risk.
- **Decarbonising and minimising emissions:** the Investment Manager believes that the pathway to 1.5° C requires a significant reduction in emissions within the next decade. Engagement topics may therefore include encouraging management teams to develop a robust and detailed path to net zero.
- **Just Transition:** the Investment Manager believes that the transition to a low-carbon economy is likely to involve the restructuring of many industries which have historically been key drivers of jobs and economic activity, with implications for companies' stakeholders. Engagement topics may therefore include encouraging management teams to mitigate the potentially significant social effects of their net zero transition.
- **Climate solutions:** to limit global warming to 1.5°C, the Investment Manager believes that it is important that renewable energy and green technologies are developed, accelerated and 'negative emissions'

strategies (such as carbon capture, utilisation and storage) are implemented. Engagement topics may therefore include encouraging management teams to develop scalable climate solutions, and to protect the world's natural carbon sinks where their business models do not allow faster emissions reductions in their existing assets and operations.

Engagements may include conversations with management teams and can cover business practices, operations, governance and products and services. Engagements may be initiated by the Investment Manager should concerns arise from the analysis undertaken as part of the Fund's sustainable investment strategy. Engagements are expected to be structured around a standard set of principles:

- Identify material sustainability issues, focusing on the most material risks and opportunities to a company's long-term value.
- Establish dialogue, to understand a company's sustainability practices, strategies and performance to help assess a company's consideration of sustainability risks and opportunities.
- Set goals, to communicate clear expectations to companies regarding their sustainability practices.
- Monitor and track progress, assessing company action towards engagement outcomes.

In addition to conversations undertaken directly with management teams, the Investment Manager may escalate engagement, such as through using voting rights to try to effect positive change on sustainability matters, which may include co-ordinated engagement and voting with other investment teams, asset managers or asset owners where the Investment Manager believes this will have greater effect.

#### c. Engagement with sovereigns

For sovereigns, the Investment Manager may engage on some of the following stakeholder considerations:

- ambition of emission reduction targets (NDCs).
- plans to scale renewable energy capacity and transition away from fossil fuels.
- domestic carbon pricing.
- contributions to international climate finance.



There are several different stakeholders that the Investment Manager may engage with, including civil servants, regulators, departmental ministers, political party members, and treasury departments for central and multilateral development banks.

The Investment Manager uses a proprietary system to log engagements and monitor progress, with activity and outcomes recorded for auditing and reporting purposes.

The Investment Manager's group is also a signatory to the UK Stewardship Code 2020. Further information about the Investment Manager's overall approach to stewardship is set out in its Engagement Blueprint, found here: <https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf>

**What actions does the Investment Manager take if an investment isn't meeting or progressing towards the sustainability objective, or doesn't perform well enough against the KPIs?**

**This section explains what the next steps will be if an investment ceases to be a sustainable investment (or to have the potential to become sustainable), or is not performing well enough against the KPIs.**

Investments will be monitored and reviewed against the Investment Manager's sustainability criteria.

For investments aligned with the Sustainability Focus objective, in instances where new materially adverse information arises or a material controversy is identified, no further investment in the company will be made while the Investment Manager evaluates the effect and considers next steps. If the Investment Manager subsequently no longer deems an asset to be a sustainable investment, the Investment Manager will usually aim to sell the investment within 10 days, or alternatively will deem it to fall outside the minimum percentage of sustainable investments specified above.

For investments aligned with the Sustainability Improvers objective, if the investment ceases to meet the Investment Manager's criteria for improvement (as specified above), the Investment Manager can (1) engage with the management team to encourage them to address the concerns, with a view to the company meeting the Investment Manager's criteria for improvement; (2) aim to sell the investment if it has not become compliant within 10 days; or (3) deem it to fall outside the minimum percentage of improving investments specified above. Where the Investment Manager remains invested and engages, it must demonstrate to its Compliance function how the company is progressing. The Investment Manager will be responsible for monitoring of the company on an ongoing basis.

## Fund Characteristics

Date of authorisation	8 April 2008
Classes of Units	A Income Q1 Accumulation X Accumulation Z Accumulation and Z Income Z Accumulation EUR Hedged
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Sub-investment manager	Schroder Investment Management North America Inc
Annual accounting date	31 October
Half-yearly accounting date	30 April
Income allocation date	31 December
Profile of a typical investor	The Fund aims to provide capital growth with some income potential. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses, and who have expressed sustainability preferences that are aligned with the sustainability objective of the Fund. Investors should regard their investment as medium to long-term and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark of the ICE BofA Sterling 3-Month Government Bill Index plus 3.5%, and compared against the Investment Association Mixed Investments 20-60% Shares sector average return.

Benchmark selection	The benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The ICE BofA Sterling 3-Month Government Bill Index plus 3.5% benchmark has been selected as an investable representative of cash plus 3.5%. Given that this is a multi-asset fund, a cash rate represents the 'risk-free' base rate over which assets with higher risk profiles can earn additional return. The comparator benchmark has been selected because the investment manager and the manager believe that each of these benchmarks is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Global risk exposure	<p>The Fund may use derivative instruments for efficient management and for specific investment purposes. For further information please see <b>Appendix 2. Section 6: 'Using Derivatives for specific investment purposes'</b>.</p> <p>The Fund employs the relative Value-at-Risk (VaR) approach to measure its global risk exposure.</p>
VaR benchmark	MSCI AC World (Net Total Return) GBP Hedged Index
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Maximum permitted level of leverage – gross leverage ratio	5.0
Maximum permitted level of leverage – commitment leverage ratio	3.0
Sustainability criteria	The Fund has environmental and/or social characteristics. A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular investor.
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Currency/hedged share class risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>Sustainable investing risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

Total return swaps	The Fund may use derivatives (including total return swaps) for investment purposes as well as for efficient portfolio management purposes. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its investment objective and policy. Long and short positions gained through bond total return swaps may increase exposure to credit-related risks. The gross exposure of total return swaps will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.
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#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
A	£1,000 or £50 per month under regular savings plan	£500	£1,000	1.44%	0.00%
Q1	None	None	None	Up to 1.00%	None
X	None	None	None	0.05%	0.00%
Z	£5,000	£1,000	£5,000	0.30%	0.00%
Z EUR (hedged)	£5,000	£1,000	£5,000	0.30%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## SUTL Cazenove GBP Balanced Fund (PRN 811632)

### Investment Objective

The Fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 2.7% (after fees have been deducted) over a five year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

### Investment Policy

The Fund is actively managed and invests directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts and closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest directly in real estate or indirectly in commodities. As the Fund is index-unconstrained it is managed without reference to an index.

The Fund invests at least 50% of its assets in collective investment schemes (including Schroder funds).

The Fund will seek to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions. The Fund will invest within the following ranges:

- Bonds: 20% – 50%
- Equities: 25% – 60%
- Alternative Investments 0% – 35%

The Fund may also invest in warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	2 August 2018
Classes of Units	S Income and S Accumulation <sup>1</sup> Z Income and Z Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder & Co. Limited
Annual accounting date	31 August
Half-yearly accounting date	28 February
Income allocation dates	30 April, 31 October
Profile of a typical investor	The Fund is a medium risk fund aiming to provide long-term capital growth and income through investment in directly and indirectly in equities, bonds and alternative assets. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark of the UK Consumer Price Index plus 2.7%, and compared against the Asset Risk Consultants (ARC) Sterling Balanced Asset Private Client Index.
Benchmark selection	The benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.  The comparator benchmark has been selected because Schroder and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

<sup>1</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.

Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Investment in Schroder UK Real Estate Fund	<p>The Fund may invest up to 5% of its assets in Schroder UK Real Estate Fund (SREF) which is an FCA authorised Qualified Investor Scheme and is constituted as a Property Authorised Investment Fund. SREF invests some of its assets in real estate investments which are structured as collective investment schemes. SREF may in turn invest up to 15% of its net asset value in collective investment schemes as well as investing in special purpose vehicles for the purpose of holding property.</p> <p>Please note that the Fund is not required to maintain an investment in SREF, but may make such an investment at the discretion of the investment manager at any time.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Maximum Permitted Level of Leverage – gross leverage ratio	1.2
Maximum Permitted Level of Leverage – commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
S	None	None	None	Up to 0.50%	0.00%
Z	£50,000	£10,000	£50,000	0.78%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## SUTL Cazenove GBP Cautious Fund (PRN 941594)

### Investment Objective

The Fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 2% (after fees have been deducted) over any five year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

### Investment Policy

The Fund is actively managed and invests directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts and closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest directly in real estate or indirectly in commodities.

The Fund invests at least 50% of its assets in collective investment schemes (including Schroder funds).

The Fund will seek to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions. The Fund will invest within the following ranges:

- Bonds: 30% – 60%
- Equities: 0% – 40%
- Alternative investments: 0% – 40%

The Fund may also invest in warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	21 December 2020
Classes of Units	S Income and S Accumulation <sup>1</sup> Z Income and Z Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder & Co. Limited
Annual accounting date	31 August
Half-yearly accounting date	28 February
Income allocation dates	30 April, 31 October
Profile of a typical investor	The Fund is a medium risk fund aiming to provide long-term capital growth and income through investment in directly and indirectly in equities, bonds and alternative assets. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as long-term (five to seven years) and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark of the UK Consumer Price Index plus 2%, and compared against the Asset Risk Consultants (ARC) Sterling Cautious Private Client Index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.  The comparator benchmark has been selected because Schroders and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

<sup>1</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.



Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Investment in Schroder UK Real Estate Fund	<p>The Fund may invest up to 5% of its assets in Schroder UK Real Estate Fund (SREF) which is an FCA authorised Qualified Investor Scheme and is constituted as a Property Authorised Investment Fund. SREF invests some of its assets in real estate investments which are structured as collective investment schemes. SREF may in turn invest up to 15% of its net asset value in collective investment schemes as well as investing in special purpose vehicles for the purpose of holding property.</p> <p>Please note that the Fund is not required to maintain an investment in SREF, but may make such an investment at the discretion of the investment manager at any time.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Maximum Permitted Level of Leverage – gross leverage ratio	1.2
Maximum Permitted Level of Leverage – commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
S	None	None	None	Up to 0.50%	0.00%
Z	£50,000	£10,000	£50,000	0.78%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## SUTL Cazenove GBP Equity Focus Fund (PRN 941595)

### Investment Objective

The Fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 4.25% (after fees have been deducted) over any five year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

### Investment Policy

The Fund is actively managed and invests directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts and closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest directly in real estate or indirectly in commodities.

The Fund invests at least 50% of its assets in collective investment schemes (including Schroder funds).

The Fund will seek to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions. The Fund will invest within the following ranges:

- Fixed Income: 0% – 30%
- Equities: 60% – 100%
- Alternative investments: 0% – 40%

The Fund may also invest in warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	21 December 2020
Classes of Units	S Income and S Accumulation <sup>1</sup> Z Income and Z Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder & Co. Limited
Annual accounting date	31 August
Half-yearly accounting date	28 February
Income allocation dates	30 April, 31 October
Profile of a typical investor	The Fund is a medium risk fund aiming to provide long-term capital growth and income through investment in directly and indirectly in equities, bonds and alternative assets. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as long-term (five to seven years) and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark of the UK Consumer Price Index plus 4.25% and compared against the Asset Risk Consultants (ARC) Sterling Equity Risk Private Client Index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.  The comparator benchmark has been selected because Schroders and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

<sup>1</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.

Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Investment in Schroder UK Real Estate Fund	<p>The Fund may invest up to 5% of its assets in Schroder UK Real Estate Fund (SREF) which is an FCA authorised Qualified Investor Scheme and is constituted as a Property Authorised Investment Fund. SREF invests some of its assets in real estate investments which are structured as collective investment schemes. SREF may in turn invest up to 15% of its net asset value in collective investment schemes as well as investing in special purpose vehicles for the purpose of holding property.</p> <p>Please note that the Fund is not required to maintain an investment in SREF, but may make such an investment at the discretion of the investment manager at any time.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Maximum Permitted Level of Leverage – gross leverage ratio	1.2
Maximum Permitted Level of Leverage – commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>Liquidity risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
S	None	None	None	Up to 0.50%	0.00%
Z	£50,000	£10,000	£50,000	0.78%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## SUTL Cazenove GBP Growth Fund (PRN 811642)

### Investment Objective

The Fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.5% (after fees have been deducted) over a five year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

### Investment Policy

The Fund is actively managed and invests directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts and closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest directly in real estate or indirectly in commodities. As the Fund is index-unconstrained it is managed without reference to an index.

The Fund invests at least 50% of its assets in collective investment schemes (including Schroder funds).

The Fund will seek to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions. The Fund will invest within the following ranges:

- Fixed Income: 0% – 30%
- Equities: 50% – 80%
- Alternative investments: 0% – 30%

The Fund may also invest in warrants and money market instruments, and hold cash

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	2 August 2018
Classes of Units	S Income and S Accumulation <sup>1</sup> Z Income and Z Accumulation
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder & Co. Limited
Annual accounting date	31 August
Half-yearly accounting date	28 February
Income allocation dates	30 April, 31 October
Profile of a typical investor	The Fund is a medium risk fund aiming to provide long-term capital growth and income through investment in directly and indirectly in equities, bonds and alternative assets. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark of the UK Consumer Price Index plus 3.5%, and compared against the Asset Risk Consultants (ARC) Steady Growth Private Client Index.
Benchmark selection	The benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.  The comparator benchmark has been selected because Schroders and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

<sup>1</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.

Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Investment in Schroder UK Real Estate Fund	<p>The Fund may invest up to 5% of its assets in Schroder UK Real Estate Fund (SREF) which is an FCA authorised Qualified Investor Scheme and is constituted as a Property Authorised Investment Fund. SREF invests some of its assets in real estate investments which are structured as collective investment schemes. SREF may in turn invest up to 15% of its net asset value in collective investment schemes as well as investing in special purpose vehicles for the purpose of holding property.</p> <p>Please note that the Fund is not required to maintain an investment in SREF, but may make such an investment at the discretion of the investment manager at any time.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Maximum Permitted Level of Leverage – gross leverage ratio	1.2
Maximum Permitted Level of Leverage – commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
S	None	None	None	Up to 0.50%	0.00%
Z	£50,000	£10,000	£50,000	0.77%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## SUTL Cazenove Sustainable Balanced Fund (PRN 969532)

### Investment Objective

The Fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 2.7% (after fees have been deducted) over any five year period by investing (directly or indirectly) in a diversified range of assets and markets worldwide which the Investment Manager classifies as sustainable. These are investments that:

- **Benefit stakeholders**, defined as investments that are assessed as making a positive contribution to (a) the planet (the environment); and/or (b) people (employee wellbeing; consumer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions); or
- **Contribute to solutions**, defined as investments that help advance one or more of the United Nations Sustainable Development Goals (UN SDGs). These are grouped into the following UN SDG Themes: inclusion; health and wellbeing; climate change; responsible consumption; and sustainable infrastructure.

This financial return cannot be guaranteed and your capital is at risk.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes (including Schroder Funds), exchange traded funds, real estate investment trusts and closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest directly in real estate or indirectly in commodities.

The Fund will seek to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions. The Fund will invest within the following ranges:

- Fixed Income: 20% – 50%
- Equities: 25% – 60%
- Alternative investments: 0% – 35%

The Fund may also invest in warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

The Fund invests at least 70% of its portfolio (directly, or indirectly through other collective investment schemes) in assets that the Investment Manager classifies as sustainable. An asset is considered to be sustainable if it:

- **Benefits stakeholders**, by making a positive contribution to people and/or the planet. This includes contributions to: (1) the **environment** (such as reducing greenhouse gas emissions, which helps slow down climate change); (2) **employee wellbeing**

(such as paying more than living wages and providing training to employees, which supports their professional development and prosperity); (3) **consumer wellbeing** (such as developing new products and services that improve customers' quality of life, for example medical drugs, therapies, diagnostic tools and healthy food); (4) **healthy, inclusive and connected communities** (such as providing access to clean water and sanitation, which promotes good health); and/or (5) **effective and accountable institutions** (such as promoting financial stability, which supports people's prosperity and financial security). These are typically assets that are run in a sustainable way (based on one or more of these stakeholder areas), although their products, services or projects can also make a positive contribution.

An investment can demonstrate that it benefits stakeholders through (1) achieving a positive score in Schroders' systematic model (SustainEx™); or (2) being classified as a sustainability-linked bond (SLB).

or

- **Contributes to solutions**, by helping to advance one or more of the UN SDGs. These are grouped into five UN SDG Themes:
  - **Inclusion – SDG 1 No Poverty, SDG 4 Quality Education, SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, SDG 10 Reduce inequalities.** For example, through providing education services (to ensure availability of inclusive and equitable quality education and ongoing learning opportunities), lending to small businesses (which promotes financial inclusion, supports the growth of micro, small, and medium enterprises, and creates additional jobs), or providing digital connectivity (which supports broadening access to the internet, offering individuals improved opportunities for civic engagement, participation, and agency, and to develop digital skills);
  - **Health and wellbeing – SDG 3 Health and Wellbeing, SDG 6 Clean Water and Sanitation.** For example, through providing healthcare services (which contribute to improving health outcomes, enhancing quality of life, and reduce the impact of diseases on individuals and communities), water filtration or sanitation facilities (which prevent the spread of diseases and promotes good health and hygiene);
  - **Climate change – SDG 7 Clean and Affordable Energy, SDG 13 Climate Change.** For example, through providing renewable energy solutions, battery storage, fuel cells or carbon capture technology (which help reduce greenhouse gas emissions, make energy more affordable, and combat climate change);
  - **Responsible consumption – SDG 2 Zero Hunger, SDG 14 Life Below Water, SDG 15 Life on Land, SDG 12 Responsible Consumption & Production.**



For example, through providing recycled packaging (which reduces the demand for raw materials, decreases waste sent to landfill, and supports the circular economy) or veterinary services (which promote the health and well-being of animals, which is crucial for ecosystem balance and biodiversity conservation);

- **Sustainable infrastructure – SDG 9 Industry Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities.** For example, through providing access to electricity (which enables better transportation systems, communication technologies, and access to essential services in both urban and rural areas), or enabling greener buildings (which reduce energy consumption and carbon emissions, improve resource efficiency and resilience to climate change, and create safer, healthier and more inclusive living environments).

These are typically assets whose products, services or projects help to advance one or more specific solutions aligned with the UN SDGs. An investment can demonstrate that it contributes to solutions through (1) generating at least 90% of its revenue from products and/or services that contribute to one or more of the UN SDGs based on Schroders' systematic model; (2) being classified as a green, social or sustainable (GSS) bond; or (3) passing the Investment Manager's alternative assets assessment.

Please see **"What is the Investment Manager's approach to sustainability?"** below for more details on how the Investment Manager determines whether an investment is aligned with the sustainability objective (including where it invests via other funds), and why the Investment Manager believes that the standards of sustainability used are appropriate.

The Fund may also invest in assets which are not aligned with the sustainability objective (between 0-30% of the Fund's assets). Investments in derivatives and short positions (whether direct, or indirect through collective investment schemes) will not be treated as aligned with the sustainability objective. However, the Fund is not permitted to invest in any investments that conflict with the sustainability objective. Please see **"What will the Investment Manager avoid investing in?"** below for more details.

The Investment Manager also engages with selected investments held by the Fund on sustainability issues. Please see **"How does the Investment Manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?"** below for more details.

## Sustainability Criteria

This section describes the sustainable features of the Fund in more detail.

## Does the Fund use a Sustainability Label?

**Sustainability Labels help investors find products that have a specific sustainability goal.**



This Fund uses the Sustainability Focus label, which is for funds that invest mainly in assets that focus on sustainability for people or the planet.

## What is the Fund's sustainability objective?

**A fund's sustainability objective explains what positive outcomes for the environment and/or society it tries to achieve.**

The Fund's sustainability objective is to invest (directly, or indirectly through other collective investment schemes) in assets that the Investment Manager classifies as sustainable. These are investments that: (1) **benefit stakeholders**, defined as investments that are assessed as making a positive contribution to (a) the planet (the environment); and/or (b) people (employee wellbeing; consumer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions); or (2) **contribute to solutions**, defined as investments that help advance one or more of the United Nations Sustainable Development Goals (UN SDGs). These are grouped into the following UN SDG Themes: inclusion; health and wellbeing; climate change; responsible consumption; and sustainable infrastructure.

## Why is this objective expected to lead to a positive outcome for the environment and/or the society?

By investing in assets that are aligned with the goals set out in the sustainability objective, the Fund aims to support the continuation and/or development of their sustainable activities and those of their managers which create positive outcomes for the environment and/or society.

The Fund's holdings in such assets may also allow the Investment Manager, through engagement with fund managers and issuers, to encourage positive activities and policies and discourage negative ones. Please see **"How does the investment manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?"** below for more details.

Positive outcomes will vary depending on the asset. For example, a company that enables greater access to clean water and sanitation contributes to the positive outcome of improving people's health. However, as sustainability is assessed across a range of positive outcomes, no specific individual outcome can be guaranteed at either asset or Fund level.

## What is the Investment Manager's approach to sustainability?

**This section explains how the Investment Manager assesses sustainability and the types of investments it will not choose for sustainability reasons.**

## How does the Investment Manager identify investments aligned with the sustainability objective?

Given the two outcomes sought within the sustainability objective (and variety of asset classes held), the Fund uses a range of absolute, robust, evidence-based standards to select investments, as described below. When deciding whether to invest in another fund, the Investment Manager also performs due diligence on the fund's manager to ensure their approach aligns with the Fund's sustainability objective, as well as reviewing the investments of that fund individually against the tests set out below. Given the different interpretations of sustainability across fund managers, the Investment Manager determines the absolute standard of sustainability at the level of a fund's underlying assets, to ensure a consistent approach.

The Investment Manager's approach to assessing sustainability described below has been assessed by the Investment Manager's Risk and Compliance functions, which are independent of the investment decision making process for the Fund. They have deemed this approach to be based on robust, evidence-based standards that are absolute measures of environmental and/or social sustainability.

## How can an investment show that it benefits stakeholders?

Through (1) achieving a positive score in Schroders' systematic model (SustainEx™) or (2) being classified as a sustainability-linked bond (SLB). Further detail on each of these tests is set out below:

- **SustainEx™:** SustainEx™ is used for equities, sovereign bonds, corporate bonds (excluding classified bonds – see below) and some alternative assets. It calculates the combined environmental and social costs and benefits of each issuer by scoring it against a list of metrics, which can be found under 'Sustainability Information' on the Fund's webpage (accessed via <https://www.schroders.com/en-gb/uk/individual/fund-centre/>). Please note that new metrics may be added over time. For companies (including equities and corporate bonds), the overall score is measured relative to the money a company generates (its sales). Examples of costs and benefits measured include: a company's carbon footprint, its research and development and healthcare spend, its salaries vs. the living wage, and the percentage of taxes it pays. If a company scores +1%, this means that for every £100 of sales the company generates, it would provide a positive contribution to people and/or the planet of £1. For sovereigns, the score is measured relative to its gross domestic product (GDP). Examples of costs and benefits measured include: a country's carbon emissions, its levels of biodiversity loss, the levels of international aid provided, and its literacy rates. If a country scores +1%, this means that for every £100 of GDP the country generates, it would provide a positive contribution to people and/or the

planet of £1. If an issuer achieves a positive score, the Investment Manager determines that it provides a positive contribution to people and/or the planet.

**Why is this appropriate:** Internal research has determined that a positive score indicates that overall, an asset creates a positive contribution to relevant stakeholders, in line with the target outcomes of the sustainability objective. This is based on the areas of contribution assessed by the metrics in SustainEx, which are based on extensive academic and industry sources. In addition, an asset not only needs to perform well on at least one of these indicators of sustainability, but it must perform well enough to offset its other negative outcomes for people and/or the planet (based on the metrics).

- **Classified bonds assessment:** Bonds which are predominantly self-classified as Sustainability-Linked Bonds ('SLBs') are assessed against the ICMA SLB principles or relevant and local standards. SLBs are forward-looking sustainability performance-based bonds where proceeds are used for general spending purposes (rather than to fund a specific sustainability outcome); the issuer commits to deliver environmental and social initiatives within its business in a predefined timeline. If these KPIs are not met by the specified target date, compensation is paid to bondholders usually in the form of a coupon step-up or premium redemption.

**Why is this appropriate:** Sustainability classification gives independent, industry-recognised assurance that the bond will contribute to the positive outcome it is designed to finance, in line with the target outcomes of the sustainability objective. Principles supporting classification are reviewed and updated to take into account changes and improvement in sustainable practices.

## d. Examples of investments that benefit stakeholders

This category could include, for example, investments in the shares of a listed company which pays its employees above the living wage and works with its local community to fund reskilling programmes– or in the bonds of governments which are prioritising infrastructure projects, high literacy rates, and healthcare spending. It could also include a sustainability-linked bond that is designed to finance a general sustainability initiative within a company, such as retrofitting its office buildings to be A-rated energy efficient.

## How can an investment show that it contributes to solutions?

Through (1) generating at least 90% of its revenue from products and/or services that contribute to one or more of the UN SDGs based on Schroders' systematic model; (2) being classified as a green, social or sustainable (GSS) bond; or (3) passing the Investment Manager's alternative assets assessment. Further detail on each of these tests is set out below:

- **UN SDG Alignment Model:** The proprietary model (UN SDG Alignment Model) is used for equities, corporate bonds (excluding classified bonds – see below) and some alternative assets. It calculates how much of a company's revenue from its products and/

or services is aligned (or not) to one or more of the UN SDGs. Within the model, relevant products and services are grouped into around 130 activities; each activity is assigned a strength of alignment to an SDG, ranging from between -1 and +1, at 0.25 increments in between. This reflects that not all activities are equally contributing, despite being thematically aligned with a particular UN SDG. An issuer's revenue alignment to one or more UN SDG is then calculated based on how much revenue it generates from different activities, factoring in the strength of those activities' alignment. Summing together revenues that are positively aligned, negatively aligned and not aligned to the UN SDGs, an issuer must have over 90% of its revenue net positively aligned with the UN SDGs to be considered to contribute to solutions. Examples of revenue sources aligned to the UN SDGs include: sales of air purification systems which remove air pollutants offering health benefits (SDG 3 – Good Health and Wellbeing); provision of education services which alleviate inequality and increase opportunity (SDG 4 – Quality Education); and production of electric buses which decarbonise public transportation (SDG 11 – Sustainable Cities and Communities). Examples of revenue sources not aligned with one or more of the UN SDGs include: fertiliser use (SDG 15 – Life on Land) and fossil fuel extraction of coal (SDG 7 – Affordable and Clean Energy).

**Why is this appropriate:** Net positive revenue alignment of 90% or above indicates that overall, an asset makes a significant contribution to solutions relating to one or more of the UN SDGs, in line with the target outcomes of the sustainability objective. Internal research has indicated that companies with this level of revenue have significant management focus on the SDG-aligned area of their business, which enables them to consistently deliver in line with the fund's sustainability objective and continue to grow that area of the business.

- **Classified bonds assessment:** Bonds which are predominantly self-classified as Green, Social and Sustainable Bonds ('GSS Bonds') are assessed against the GSS Bond principles or relevant and local standards. GSS Bonds are forward-looking use of proceeds bonds that fund pre-defined standalone projects with specific environmental benefits or social outcomes.

**Why is this appropriate:** Sustainability classification gives independent, industry-recognised assurance that the bond will contribute to the positive outcome it is designed to finance, in line with the target outcomes of the sustainability objective. Principles supporting classification are reviewed and updated to take into account changes and improvement in sustainable practices.

**Alternatives assessment:** Alternative assets selected for the Fund are typically real assets such as hospitals, bridges, property, and renewable energy farms. Where it cannot be assessed via the UN SDG Alignment Model or the GSS bonds assessment above, for an alternative asset to contribute to solutions, it must demonstrate that at least 90% of its activities are helping to advance one or more UN

SDGs. To determine revenue alignment of over 90%, the Investment Manager reviews robust evidence provided by the underlying manager of the alternative asset. The evidence is assessed to determine: what the asset does and where it operates; what SDG its products and/or services are helping achieve; and what outcomes it is or intends to generate to help advance that SDG. Evidence could include an annual impact report, a Renewable Energy Guarantee Origin (REGO) certificate, a community assessment report, local council planning applications, and media articles. In addition, we request that an indicator from the below list be selected (where applicable) to monitor the intended outcomes and allow the Investment Manager to compare across different assets:

- Inclusion: Estimated number of people provided with financial services. An investment example would be a microfinance institution in a frontier market providing small loans to a female entrepreneur to start a business and become financially independent (aligned with SDG 1 – No Poverty).
- Health and wellbeing: Estimated number of people provided with healthcare, estimated number of people provided with quality education. An investment example would be a project to build a new doctor's surgery in a remote and difficult to access area (aligned with SDG 3 – Good Health and Wellbeing).
- Climate change: Tonnes of CO<sub>2</sub> emissions avoided, megawatt hours of renewable energy generated, estimated number of people provided with clean energy. An investment example would be an offshore wind project (aligned with SDG 7 – Affordable and Clean Energy).
- Responsible consumption: Tonnes of waste avoided, cubic meters of water saved, cubic meters of water treated. An investment example would be a new wastewater underground system which prevents leaks and water pollution into local rivers (aligned with SDG 12 – Responsible Consumption & Production and 14 – Life Below Water).
- Sustainable infrastructure: Estimated number of people provided with digital services, estimated number of people provided with access to drinking water. An investment example would be underwater fibre optic sea cables to improve internet accessibility (in particular to rural areas) (aligned with SDG 9 – Industry Innovation and Infrastructure).

The Investment Manager's assessment is then submitted to Schroders' Sustainable Investment Panel (the Panel) for review and ratification before it can be classed as a sustainable investment. Please see **"Are there any exceptions to the tests set out above, and what is the role of the Sustainable Investment Panel?"** below for more details.

**Why is this appropriate:** The assessment uses independent, industry-recognised indicators of contribution to UN SDGs, in line with the target outcomes of the sustainability objective. Such indicators are reviewed and updated on an ongoing basis to take into account changes and improvement in sustainable practices. Internal research has indicated that companies with this high level of activity alignment have significant management focus on the SDG-related area of their business, which enables them to consistently deliver in line with the fund's sustainability objective and continue to grow that area of the business. The Panel assessment provides an additional layer of independent assurance, which ensures that assets are reviewed against a consistent set of criteria and that the assessment process is robust and repeatable.

#### e. Examples of investments that contribute to solutions

This category could include, for example, investments in the shares of a listed company which manufactures renewable energy assets, through the secondary market (UN SDG 7 – affordable and clean energy). This category could also include a development bank bond focused on improving sustainable farming practices in developing economies in Asia (UN SDG 15 – life on land). It also includes alternative investments such as renewable energy farms (UN SDG 7 – affordable and clean energy) or social housing projects (UN SDG 11 – Sustainable Cities and Communities).

Are there any exceptions to the tests set out above, and what is the role of the Sustainable Investment Panel?

In some exceptional cases, SustainEx™ or the UN SDG Alignment Model does not provide a fair reflection of a company's benefit to stakeholders or contribution to solutions. In these circumstances, the Investment Manager can refer such investments to Schroders' Sustainable Investment Panel (the Panel), an independent panel of experts. The Panel reviews additional robust evidence provided by the Investment Manager to determine whether, if such evidence were available to SustainEx™ or the UN SDG Alignment Model, the investment would achieve a positive SustainEx score or at least 90% revenue alignment with one or more of the UN SDGs. This could be relevant where a model does not capture an area of positive contribution – such as where a company produces a particularly sustainable product whose benefit/contribution is not fully captured by the company's overall score/revenue alignment. Alternatively, it could be relevant where the Investment Manager is able to supply additional data to enhance a calculation – such as where a company does not publish details of employee salaries, but the Investment Manager is able to obtain or more accurately estimate this from other sources.

The Panel also reviews the Investment Manager's assessment of individual alternative assets where their contribution to solutions cannot be assessed using the UN SDG Alignment Model or the GSS bonds assessment. The Panel reviews the evidence provided by the Investment Manager to determine whether its assessment of an asset as contributing to solutions is

appropriate. The Panel uses the following standard framework to assess all evidence submitted, in order to maintain a consistent and systematic review process:

- Is there clear and robust evidence that the activities of the investment further one or more of the UN SDGs?
- Is there clear and robust evidence that these activities represent over 90% of the investment's overall activities?

The Panel comprises sustainability specialists from Schroders' Sustainable Investment team and senior representatives from Schroders' Product, Legal, Investment Risk and Compliance teams. Panel members from the Sustainable Investment team have voting rights. Their role is to assess the technical basis of a proposal to ensure that an investment meets the necessary criteria to be considered a sustainable investment. A majority vote is required for an investment to be approved as sustainable. Non-voting Panel members each have a veto right; a single veto is sufficient to block an investment from approval. Their role is ensure that the voting members have followed the correct procedure in reaching a decision and the evidence provided is drawn from robust sources. The Panel's decisions are documented and once an investment has been approved as sustainable, this status is incorporated into portfolio compliance coding for the Fund. Once an individual investment has been approved by the Panel, the ongoing positive contribution of that investment is regularly reviewed by the Investment Manager to ensure that it remains aligned with the Panel's requirement.

Is the process different when the Fund invests in another fund?

When deciding whether to invest in another fund, the Investment Manager performs due diligence on the fund's manager to ensure their approach aligns with our sustainability objective, as well as reviewing the investments of that fund individually against the tests set out above. This approach ensures direct and indirect assets are assessed against the same criteria. The underlying assets of the fund must also be compliant with the Fund's exclusions (including those designed to avoid assets that conflict with the Fund's sustainability objective) before the Investment Manager can invest – please see **"What will the Investment Manager avoid investing in?"** below for more details.

Due diligence questions for underlying managers are based on existing industry frameworks and include, but are not limited to:

- Does the manager's approach mean that it will tend to select companies that will contribute to the Fund's sustainability objective?
- Does the manager have a stewardship strategy deemed to support the sustainability of the asset towards the Fund's sustainability objective?
- Does the manager have an escalation plan for circumstances where the investment falls behind the required standard of sustainability?



- Is the manager receptive to engagement ideas provided by the Investment Manager?
- Does the manager have a voting record which generally supports the furtherance of the Fund's sustainability objective?
- Does the manager's approach and safeguards mean it will avoid investing in assets that conflict with the Fund's sustainability objective?

Please see **"What actions does the investment manager take if an investment isn't meeting or progressing towards the sustainability objective, or doesn't perform well enough against the KPIs?"** below for details on what actions the Investment Manager may take if the investments of a fund it holds cease to be aligned with the Fund's sustainability objective.

### What will the Investment Manager avoid investing in?

**A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the Investment Manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.**

The Fund does not directly invest in assets that the Investment Manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcome it seeks.

The Investment Manager has defined a broad list of activities that conflict with the sustainability objective, including material revenues from harmful sectors (see exclusions criteria), firms that breach the UN Global Compact principles or good governance practices. These are assets that are deemed to create material harm for people/ planet and/or actively and materially worsen key social and environmental challenges. For example, violators of UN Global Compact principle 4 on forced or compulsory labour materially harm employee wellbeing and fossil fuels extraction worsens the environmental challenges associated with global warming SDG 7 (Clean and affordable energy and SDG 13 Climate Change). Companies with material revenues from such sectors (maximum 10%) are deemed to conflict with the sustainability objective and are thus excluded.

The Investment Manager also excludes investment in collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds where the vehicle manager has poor ESG integration capabilities based on the Investment Manager's ESG strategy level scorecard. This achieves a minimum standard in indirect investment selection. The Fund avoids these assets by excluding certain categories of investment above certain thresholds. In the instance of direct investments, the Investment Manager is responsible for the asset selection and is subject to the same ESG strategy level scorecard.

More details on the Fund's exclusions and related exposure thresholds (including those used to identify conflicting assets) can be found under 'Sustainability Information' on the Fund's website accessed via <https://www.schroders.com/en-gb/uk/individual/fund-centre/>.

### What else might the Fund invest in?

**The Fund commits to holding a minimum percentage of investments that are aligned with the sustainability objective, as set out in the investment policy. In addition to these investments, the Fund may hold other investments that are not deemed sustainable provided that they do not conflict with the sustainability objective. This section explains what the Fund may hold other than investments aligned with the sustainability objective, and why.**

The Fund invests at least 70% of its portfolio in assets that are aligned with the sustainability objective. Outside of the minimum 70%, the Fund may also hold other assets that have not passed this assessment, for liquidity, risk management or diversification purposes. These may include assets that are treated as neutral for sustainability purposes such as cash, money market instruments and derivatives used with the aim of reducing risk or managing the Fund more efficiently (where permitted by the investment policy). They may also include investments that the investment manager believes may be able to meet the sustainability objective over time, or other investments that the investment manager believes are appropriate for diversification of the Fund's portfolio or the pursuit of the investment objective. The Investment Manager carries out an assessment of these assets to ensure that they do not conflict with the sustainability objective, based on the screening mentioned above and consideration of any incident or verified credible claim of adverse conduct or practices. No investment will be held if the Investment Manager believes there to be a conflict with the Fund's sustainability objective.

### Could the Fund's investments lead to material negative outcomes for the environment and/or society?

**Although the Fund aims to achieve the positive outcome for the environment/society set out in the sustainability objective, other unintended negative outcomes for the environment/society could be caused by the Fund's investments. This section explains what those outcomes could be.**

All investments can have both negative and positive effects on society and the environment. Although the Fund aims to select investments that create positive sustainability outcomes, such assets may still produce some negative outcomes for the environment and society in other areas. For example:

- an electric car manufacturer may produce an environmental benefit in terms of avoided carbon emissions (emissions saved indirectly by substituting high carbon activities with low carbon alternatives) but could also produce a social cost if it pays its employees less than a living wage.
- a supermarket chain may provide the social benefits of paying more than living wages and making donations to the local community, but also create an environmental cost by contributing to food waste.
- a public utility company may provide and maintain sewerage infrastructure (therefore providing the social benefit of increasing access to sanitation) but could use water in an unsustainable way.

Could the Fund's sustainability objective have a negative effect on financial risks and returns?

**This section explains how the Fund's pursuit of its sustainability objective could affect the more general risks related to the Fund, and the financial returns that it aims to achieve.**

The Fund applies sustainability criteria in its selection of investments. This may limit the Fund's exposure to some companies, industries or sectors and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria. Any reduction in the investment universe, based on factors unrelated to financial considerations, could potentially limit financial returns and/or increase financial risks.

To identify and mitigate sustainability risks, the investment decision making process for the Fund includes the consideration of these risks alongside other factors. A sustainability risk is an environmental or social event or condition that, if it occurs, could cause an actual or potential material negative effect on the value of an investment and the returns of the Fund. Although different strategies may require different approaches to the integration of such risks, the Investment Manager will typically assess potential investments by looking at the overall costs and benefits to society and the environment that an issuer may generate, or how the market value of an issuer may be influenced by individual sustainability risks. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders, including an assessment of whether those relationships are managed in a sustainable manner and, therefore, whether there are any material risks to the market value of the issuer.

As Unitholders may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of particular Unitholders.

How does the Investment Manager monitor whether the Fund is meeting its sustainability objective?

What are the Investment Manager's policies and procedures to ensure that the Fund is meeting its sustainability objective?

**Funds using a Sustainability Label must have appropriate policies and procedures in place to support their achievement of their sustainability objective. This section provides details of those policies/procedures.**

The Fund's compliance with the requirement to invest at least 70% of its portfolio in investments aligned with the sustainability objective is monitored systematically on a daily basis via the Investment Manager's compliance control framework.

The Fund also applies certain exclusions as referred to above, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework. To ensure compliance with the exclusionary policy, assets owned indirectly via Funds are also screened against the same criteria on a regular basis.

What Key Performance Indicators (KPIs) does the Investment Manager use to assess whether the Fund is meeting its sustainability objective?

**Funds using a Sustainability Label must set KPIs that demonstrate whether the Fund is achieving or progressing towards its sustainability objective over time. This section sets out the relevant KPIs for the Fund.**

The Investment Manager uses the KPIs below to assess whether the Fund is meeting its sustainability objective. The reporting frequency will usually be 12 months, but may be longer in respect of the first year that the Fund applies a Sustainability Label and shorter for the second year.



Type/label	KPI	Purpose
General	Percentage of investments that are aligned with the sustainability objective	A fund that uses the Sustainability Focus label must ensure that at least 70% of its portfolio is invested in assets that are environmentally and/or socially sustainable. This KPI shows the actual percentage of the Fund which is invested in sustainable assets (based on the tests described under <b>"How does the Investment Manager identify investments aligned with the sustainability objective?"</b> above).
	Investments that are classified as sustainable based on Panel review	As described above, where a company does not achieve a positive SustainEx™ score or over 90% revenue on the UN SDG Alignment Model, the Investment Manager can ask the Panel to review additional evidence to determine whether, if such evidence was available to SustainEx™ or the Model, the company would achieve a positive score or revenue alignment over 90%. The Panel can also ratify the Investment Manager's assessment of how an alternative asset 'contributes to solutions' as described above. This KPI illustrates the Fund's exposure to investments where the Panel has determined these requirements have been met.
	Percentage of investments aligned with each outcome (benefit stakeholders/ contribute to solutions)	This KPI illustrates what proportion of the Fund's assets benefits stakeholders and what proportion contributes to solutions (based on the tests described under <b>"How does the Investment Manager identify investments aligned with the sustainability objective?"</b> above).
Benefit stakeholders (Bs)	People score for Bs (equities and bonds, excluding Sustainability Linked Bonds)	This KPI shows the positive social contribution of investments deemed to benefit 'people' stakeholders (equities and bonds, excluding Sustainability Linked Bonds) compared against the Fund's benchmark. Data will be sourced from SustainEx™, as described under <b>"How does the Investment Manager identify investments aligned with the sustainability objective?"</b> above.
	Planet score for Bs (equities and bonds, excluding Sustainability Linked Bonds)	This KPI shows the positive environmental contribution of investments deemed to benefit 'planet' stakeholders (equities and bonds, excluding Sustainability Linked Bonds) compared against the Fund's benchmark. Data will be sourced from SustainEx™, as described under <b>"How does the Investment Manager identify investments aligned with the sustainability objective?"</b> above.
	Top contributing factors driving the people and planet scores (equities and bonds, excluding Sustainability Linked Bonds)	This KPI demonstrates the top contributing SustainEx™ factors, which evidence positive outcomes for stakeholders, relative to the benchmark. These factors can include any of the factors that are included in the overall SustainEx™ score.

Type/label	KPI	Purpose
Contribute to solutions (Cs)	Proportion of assets that contribute to solutions aligned with each of the UN SDG and the five UN SDG Themes	This KPIs shows what percentage of the portfolio is contributing to each of the 17 UN SDGs and the five UN SDG Themes (Inclusion; Health and Wellbeing; Climate Change; Responsible Consumption and Production; and Sustainable Infrastructure).
	Total number of people reached	This KPI demonstrates how the assets are contributing to solutions aligned to the UN SDGs. This figure is derived by combining relevant social metrics,* such as the number of people provided with services from healthcare (SDG 3), education (SDGs 4, 9 & 3), and housing (SDGs 1, 9, 10 & 11); and the number of people given access to financial services (SDGs 1 & 10) and digital services (SDGs 9 & 10).
	Total carbon avoided	This KPI demonstrates how the assets are contributing to solutions aligned to the UN SDGs. This figure is derived by combining relevant environmental metrics,* such as MWH of renewable energy generated (SDGs 7, 9 & 13), units of water treated (SDGs 3, 6, 13 & 14) and tonnes of waste avoided (SDGs 2, 12, 13, 14 & 15), to estimate the total carbon avoided.

\* The metrics used to calculate the total number of people reached and total carbon avoided are not definitive and may vary year on year based on available information and changes in the assets held within the portfolio. The metrics are based on information reported by the underlying assets, which may include qualitative as well as quantitative indicators and include estimates where information is not available.

#### How does the Investment Manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?

**Funds using a Sustainability Label must have a 'stewardship' strategy designed to support their achievement of their sustainability objective, which sets out how the Investment Manager will try to influence the management teams of its investments to encourage behaviour that supports the Fund's sustainability objective and discourage behaviour that does not. This section summarises what types of engagement the Investment Manager may use and the types of topics it may engage on.**

The Investment Manager engages with selected assets held by the Fund to support the achievement of the Fund's sustainability objective. This means working with issuers and managers, where appropriate, to try to improve or increase the sustainability outcomes delivered.

As the Fund aims to select investments that benefit stakeholders or contribute to solutions, the Investment Manager engages across a wide range of considerations linked to stakeholders and UN SDG Themes, including but not limited to:

Benefitting stakeholders topics	Contributing to solutions topics
<p><b>Environment:</b> encouraging issuers or managers to reduce their carbon emissions.</p> <p><b>Employees:</b> encouraging managers to improve the diversity of their investment teams or board directors; and to engage with the underlying companies within their strategy to also improve their diversity.</p> <p><b>Customers:</b> encouraging issuers or managers to ensure that products and services do not adversely affect human rights.</p> <p><b>Communities:</b> encouraging issuers to commit to supporting local communities who may experience adverse effects from the issuer's operations in the area, for instance, an infrastructure trust building new assets.</p>	<p><b>Inclusion:</b> encouraging an issuer to expand the number of interim housing available for victims of domestic violence.</p> <p><b>Health and wellbeing:</b> encouraging an issuer to increase the number of countries they distribute insulin medication to.</p> <p><b>Climate change:</b> encouraging a manager to require carbon avoided for all underlying issuers.</p> <p><b>Responsible consumption:</b> encouraging an issuer to increase the number of members on their second-hand marketplace app.</p> <p><b>Sustainable infrastructure:</b> encouraging a manager to require all buildings to convert to level A environmental performance and use green cement in all new construction.</p>
<p><b>Net zero:</b> engaging with issuers and fund managers to encourage them to set commitments to decarbonise and/or to align their investment strategies with the transition to a net zero economy (based on the Investment Manager's net zero alignment criteria), in order to increase the potential for the Fund to achieve net zero emissions by 2050 – although this does not form part of the Fund's objectives, and there is no guarantee that the Fund will be able to do so.</p>	
<p>Engagements may include conversations with management teams, or fund managers, and can cover business practices, operations, governance, products and services and fund managers' strategies. Engagements may be initiated by the Investment Manager should concerns arise from the analysis undertaken or if improvements are identified in connection with the Fund's investments aligned with the sustainability objective. Engagements are expected to be structured around a standard set of principles:</p> <ul style="list-style-type: none"> <li>– Identify material sustainability issues.</li> <li>– Establish dialogue – with either company management or the fund manager to understand the asset's sustainability strategy (if held respectively directly or indirectly); it may also be with the fund manager solely regarding best practices at the fund level.</li> <li>– Set goals – to communicate clear expectations to companies, or fund managers regarding their sustainability practices.</li> <li>– Monitor and track progress, assessing company or fund managers action towards engagement outcomes.</li> </ul> <p><b>Escalating engagement with direct investments:</b> In addition to conversations undertaken directly with management teams, the Investment Manager may escalate engagement, such as through using voting rights to try to effect positive change on sustainability matters, which may include co-ordinated engagement and voting with other investment teams, asset managers or asset owners where the investment manager believes this will have greater effect.</p> <p><b>Escalating engagement with indirect investments:</b> In addition to the conversations undertaken directly with fund managers, the Investment Manager may escalate</p>	<p>engagement, such as by relaying our concerns beyond the fund manager to the firm's senior management or board, or collaborating with other asset or wealth managers and asset owners to increase pressure privately, or publicly – for example, through open letters.</p> <p>The Investment Manager uses a proprietary system to log engagements with companies and funds and monitor progress, with activity and outcomes recorded for auditing and reporting purposes.</p> <p>The Investment Manager is also a signatory to the UK Stewardship Code 2020. Further information about the investment manager's approach to stewardship is set out in its Engagement Blueprint, found here: <a href="https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf">https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf</a></p> <p><b>What actions does the investment manager take if an investment isn't meeting or progressing towards the sustainability objective, or doesn't perform well enough against the KPIs?</b></p> <p><b>This section explains what the next steps will be if an investment ceases to be an investment aligned with the sustainability objective or is not performing well enough against the KPIs.</b></p> <p><b>Directly held assets:</b> Investments will be monitored and reviewed against the Investment Manager's sustainability criteria. In instances where new materially adverse information arises or a material controversy is identified, no further investment in the company will be made while the Investment Manager evaluates the effect and considers next steps. If the Investment Manager subsequently no longer deems a company to be an investment aligned with the sustainability objective, the Investment Manager will usually aim to sell the investment within 10 days, or alternatively will deem it to fall outside the minimum percentage of investments</p>

aligned with the sustainability objective specified above (provided that it does not conflict with the sustainability objective).

**Indirectly held assets (fund investments):** Indirect assets are monitored and reviewed against the investment manager's sustainability criteria. If an asset within a fund is no longer deemed to be an investment aligned with the sustainability objective, that specific asset will be deemed to fall outside the minimum percentage of

investments aligned with the sustainability objective specified in the investment policy (provided that it does not conflict with the sustainability objective). Where a manager holds an asset that the Investment Manager deems to present a risk of material negative outcomes, the Investment Manager undertakes an engagement with that manager to understand the rationale for holding that asset within its fund and will escalate accordingly (which could include selling the fund).

## Fund Characteristics

Date of authorisation	9 February 2022
Classes of Units	S Accumulation and S Income <sup>1</sup> Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder & Co. Limited
Annual accounting date	31 August
Half-yearly accounting date	28 February
Income allocation dates	30 April, 31 October
Profile of a typical investor	The Fund is a medium risk fund aiming to provide long-term capital growth and income through investment directly and indirectly in equities, bonds and alternative assets. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses, and who have expressed sustainability preferences that are aligned with the sustainability objective of the Fund. Investors should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark of the UK Consumer Price Index plus 2.7%, and compared against the Asset Risk Consultants (ARC) Sterling Balanced Asset Private Client index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.  The comparator benchmark has been selected because Schroders and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Investment in Schroder UK Real Estate Fund	The Fund may invest up to 5% of its assets in Schroder Capital UK Real Estate Fund (SCREF) which is an FCA authorised Qualified Investor Scheme and is constituted as a Property Authorised Investment Fund. SCREF invests some of its assets in real estate investments which are structured as collective investment schemes. SCREF may in turn invest up to 15% of its net asset value in collective investment schemes as well as investing in special purpose vehicles for the purpose of holding property.  Please note that the Fund is not required to maintain an investment in SCREF, but may make such an investment at the discretion of the investment manager at any time.

<sup>1</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.

Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Maximum Permitted Level of Leverage – gross leverage ratio	1.2
Maximum Permitted Level of Leverage – commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>Sustainable investing risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
S	None	None	None	Up to 0.50%	0.00%
Z	£50,000	£10,000	£50,000	0.79%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## SUTL Cazenove Sustainable Growth Fund (PRN 941596)

### Investment Objective

The Fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.5% (after fees have been deducted) over any five year period by investing (directly or indirectly) in a diversified range of assets and markets worldwide which the Investment Manager classifies as sustainable. These are investments that:

- **Benefit stakeholders**, defined as investments that are assessed as making a positive contribution to (a) the planet (the environment); and/or (b) people (employee wellbeing; consumer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions); or
- **Contribute to solutions**, defined as investments that help advance one or more of the United Nations Sustainable Development Goals (UN SDGs). These are grouped into the following UN SDG Themes: inclusion; health and wellbeing; climate change; responsible consumption; and sustainable infrastructure.

This financial return cannot be guaranteed and your capital is at risk.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes (including Schroder funds), exchange traded funds, real estate investment trusts or closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest directly in real estate or indirectly in commodities.

The Fund will seek to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions. The Fund will invest within the following ranges:

- Fixed Income: 0% – 30%
- Equities: 50% – 80%
- Alternative investments: 0% – 30%

The Fund may also invest in warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

The Fund invests at least 70% of its portfolio (directly, or indirectly through other collective investment schemes) in assets that the Investment Manager classifies as sustainable. An asset is considered to be sustainable if it:

- **Benefits stakeholders**, by making a positive contribution to people and/or the planet. This includes contributions to: (1) the **environment** (such as reducing greenhouse gas emissions, which helps slow down climate change); (2) **employee wellbeing**

(such as paying more than living wages and providing training to employees, which supports their professional development and prosperity); (3) **consumer wellbeing** (such as developing new products and services that improve customers' quality of life, for example medical drugs, therapies, diagnostic tools and healthy food); (4) **healthy, inclusive and connected communities** (such as providing access to clean water and sanitation, which promotes good health); and/or (5) **effective and accountable institutions** (such as promoting financial stability, which supports people's prosperity and financial security). These are typically assets that are run in a sustainable way (based on one or more of these stakeholder areas), although their products, services or projects can also make a positive contribution.

An investment can demonstrate that it benefits stakeholders through (1) achieving a positive score in Schroders' systematic model (SustainExTM); or (2) being classified as a sustainability-linked bond (SLB).

or

- **Contributes to solutions**, by helping to advance one or more of the UN SDGs. These are grouped into five UN SDG Themes:
  - **Inclusion – SDG 1 No Poverty, SDG 4 Quality Education, SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, SDG 10 Reduce inequalities.** For example, through providing education services (to ensure availability of inclusive and equitable quality education and ongoing learning opportunities), lending to small businesses (which promotes financial inclusion, supports the growth of micro, small, and medium enterprises, and creates additional jobs), or providing digital connectivity (which supports broadening access to the internet, offering individuals improved opportunities for civic engagement, participation, and agency, and to develop digital skills);
  - **Health and wellbeing – SDG 3 Health and Wellbeing, SDG 6 Clean Water and Sanitation.** For example, through providing healthcare services (which contribute to improving health outcomes, enhancing quality of life, and reduce the impact of diseases on individuals and communities), water filtration or sanitation facilities (which prevent the spread of diseases and promotes good health and hygiene);
  - **Climate change – SDG 7 Clean and Affordable Energy, SDG 13 Climate Change.** For example, through providing renewable energy solutions, battery storage, fuel cells or carbon capture technology (which help reduce greenhouse gas emissions, make energy more affordable, and combat climate change);
  - **Responsible consumption – SDG 2 Zero Hunger, SDG 14 Life Below Water, SDG 15 Life on Land, SDG 12 Responsible Consumption & Production.**



For example, through providing recycled packaging (which reduces the demand for raw materials, decreases waste sent to landfill, and supports the circular economy) or veterinary services (which promote the health and well-being of animals, which is crucial for ecosystem balance and biodiversity conservation);

- **Sustainable infrastructure – SDG 9 Industry Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities.** For example, through providing access to electricity (which enables better transportation systems, communication technologies, and access to essential services in both urban and rural areas), or enabling greener buildings (which reduce energy consumption and carbon emissions, improve resource efficiency and resilience to climate change, and create safer, healthier and more inclusive living environments).

These are typically assets whose products, services or projects help to advance one or more specific solutions aligned with the UN SDGs. An investment can demonstrate that it contributes to solutions through (1) generating at least 90% of its revenue from products and/or services that contribute to one or more of the UN SDGs based on Schroders' systematic model; (2) being classified as a green, social or sustainable (GSS) bond; or (3) passing the Investment Manager's alternative assets assessment.

Please see **"What is the Investment Manager's approach to sustainability?"** below for more details on how the Investment Manager determines whether an investment is aligned with the sustainability objective (including where it invests via other funds), and why the Investment Manager believes that the standards of sustainability used are appropriate.

The Fund may also invest in assets which are not aligned with the sustainability objective (between 0–30% of the Fund's assets). Investments in derivatives and short positions (whether direct, or indirect through collective investment schemes) will not be treated as aligned with the sustainability objective. However, the Fund is not permitted to invest in any investments that conflict with the sustainability objective. Please see **"What will the Investment Manager avoid investing in?"** below for more details.

The Investment Manager also engages with selected investments held by the Fund on sustainability issues. Please see **"How does the Investment Manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?"** below for more details.

## Sustainability Criteria

### Does the Fund use a Sustainability Label?

**Sustainability Labels help investors find products that have a specific sustainability goal.**



This Fund uses the Sustainability Focus label, which is for funds that invest mainly in assets that focus on sustainability for people or the planet.

### What is the Fund's sustainability objective?

**A fund's sustainability objective explains what positive outcomes for the environment and/or society it tries to achieve.**

The Fund's sustainability objective is to invest (directly, or indirectly through other collective investment schemes) in assets that the Investment Manager classifies as sustainable. These are investments that are assessed as making a positive contribution to (a) the planet (the environment); and/or (b) people (employee wellbeing; consumer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions); or (2) **contribute to solutions**, defined as investments that help advance one or more of the United Nations Sustainable Development Goals (UN SDGs). These are grouped into the following UN SDG Themes: inclusion; health and wellbeing; climate change; responsible consumption; and sustainable infrastructure.

### Why is this objective expected to lead to a positive outcome for the environment and/or the society?

By investing in assets that are aligned with the goals set out in the sustainability objective, the Fund aims to support the continuation and/or development of their sustainable activities and those of their managers which create positive outcomes for the environment and/or society.

The Fund's holdings in such assets may also allow the Investment Manager, through engagement with fund managers and issuers, to encourage positive activities and policies and discourage negative ones. Please see **"How does the investment manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?"** below for more details.

Positive outcomes will vary depending on the asset. For example, a company that enables greater access to clean water and sanitation contributes to the positive outcome of improving people's health. However, as sustainability is assessed across a range of positive outcomes, no specific individual outcome can be guaranteed at either asset or Fund level.

### What is the Investment Manager's approach to sustainability?

**This section explains how the Investment Manager assesses sustainability and the types of investments it will not choose for sustainability reasons.**

How does the Investment Manager identify investments aligned with the sustainability objective?

Given the two outcomes sought within the sustainability objective (and variety of asset classes held), the Fund uses a range of absolute, robust, evidence-based standards to select investments, as described below. When deciding whether to invest in another fund, the Investment Manager also performs due diligence on the fund's

manager to ensure their approach aligns with the Fund's sustainability objective, as well as reviewing the investments of that fund individually against the tests set out below. Given the different interpretations of sustainability across fund managers, the Investment Manager determines the absolute standard of sustainability at the level of a fund's underlying assets, to ensure a consistent approach.

The Investment Manager's approach to assessing sustainability described below has been assessed by the Investment Manager's Risk and Compliance functions, which are independent of the investment decision making process for the Fund. They have deemed this approach to be based on robust, evidence-based standards that are absolute measures of environmental and/or social sustainability.

### How can an investment show that it benefits stakeholders?

Through (1) achieving a positive score in Schrodex's systematic model (SustainEx™) or (2) being classified as a sustainability-linked bond (SLB). Further detail on each of these tests is set out below:

- **SustainEx™:** SustainEx™ is used for equities, sovereign bonds, corporate bonds (excluding classified bonds – see below) and some alternative assets. It calculates the combined environmental and social costs and benefits of each issuer by scoring it against a list of metrics, which can be found under 'Sustainability Information' on the Fund's webpage (accessed via <https://www.schroders.com/en-gb/uk/individual/fund-centre/>). Please note that new metrics may be added over time. For companies (including equities and corporate bonds), the overall score is measured relative to the money a company generates (its sales). Examples of costs and benefits measured include: a company's carbon footprint, its research and development and healthcare spend, its salaries vs. the living wage, and the percentage of taxes it pays. If a company scores +1%, this means that for every £100 of sales the company generates, it would provide a positive contribution to people and/or the planet of £1. For sovereigns, the score is measured relative to its gross domestic product (GDP). Examples of costs and benefits measured include: a country's carbon emissions, its levels of biodiversity loss, the levels of international aid provided, and its literacy rates. If a country scores +1%, this means that for every £100 of GDP the country generates, it would provide a positive contribution to people and/or the planet of £1. If an issuer achieves a positive score, the Investment Manager determines that it provides a positive contribution to people and/or the planet.

**Why is this appropriate:** Internal research has determined that a positive score indicates that overall, an asset creates a positive contribution to relevant stakeholders, in line with the target outcomes of the sustainability objective. This is based on the areas of contribution assessed by the metrics in SustainEx, which are based on extensive academic and industry sources. In addition, an asset not only needs to perform well on at least one of these indicators of

sustainability, but it must perform well enough to offset its other negative outcomes for people and/or the planet (based on the metrics).

- **Classified bonds assessment:** Bonds which are predominantly self-classified as Sustainability-Linked Bonds ('SLBs') are assessed against the ICMA SLB principles or relevant and local standards. SLBs are forward-looking sustainability performance-based bonds where proceeds are used for general spending purposes (rather than to fund a specific sustainability outcome); the issuer commits to deliver environmental and social initiatives within its business in a predefined timeline. If these KPIs are not met by the specified target date, compensation is paid to bondholders usually in the form of a coupon step-up or premium redemption.

**Why is this appropriate:** Sustainability classification gives independent, industry-recognised assurance that the bond will contribute to the positive outcome it is designed to finance, in line with the target outcomes of the sustainability objective. Principles supporting classification are reviewed and updated to take into account changes and improvement in sustainable practices.

### f. Examples of investments that benefit stakeholders

This category could include, for example, investments in the shares of a listed company which pays its employees above the living wage and works with its local community to fund reskilling programmes – or in the bonds of governments which are prioritising infrastructure projects, high literacy rates, and healthcare spending. It could also include a sustainability-linked bond that is designed to finance a general sustainability initiative within a company, such as retrofitting its office buildings to be A-rated energy efficient.

### How can an investment show that it contributes to solutions?

Through (1) generating at least 90% of its revenue from products and/or services that contribute to one or more of the UN SDGs based on Schrodex's systematic model; (2) being classified as a green, social or sustainable (GSS) bond; or (3) passing the Investment Manager's alternative assets assessment. Further detail on each of these tests is set out below:

- **UN SDG Alignment Model:** The proprietary model (UN SDG Alignment Model) is used for equities, corporate bonds (excluding classified bonds – see below) and some alternative assets. It calculates how much of a company's revenue from its products and/or services is aligned (or not) to one or more of the UN SDGs. Within the model, relevant products and services are grouped into around 130 activities; each activity is assigned a strength of alignment to an SDG, ranging from between -1 and +1, at 0.25 increments in between. This reflects that not all activities are equally contributing, despite being thematically aligned with a particular UN SDG. An issuer's revenue alignment to one or more UN SDG is then calculated based on how much revenue it generates from different activities, factoring in the strength of those activities' alignment. Summing together revenues that are positively aligned, negatively aligned and not

aligned to the UN SDGs, an issuer must have over 90% of its revenue net positively aligned with the UN SDGs to be considered to contribute to solutions. Examples of revenue sources aligned to the UN SDGs include: sales of air purification systems which remove air pollutants offering health benefits (SDG 3 – Good Health and Wellbeing); provision of education services which alleviate inequality and increase opportunity (SDG 4 – Quality Education); and production of electric buses which decarbonise public transportation (SDG 11 – Sustainable Cities and Communities). Examples of revenue sources not aligned with one or more of the UN SDGs include: fertiliser use (SDG 15 – Life on Land) and fossil fuel extraction of coal (SDG 7 – Affordable and Clean Energy).

**Why is this appropriate:** Net positive revenue alignment of 90% or above indicates that overall, an asset makes a significant contribution to solutions relating to one or more of the UN SDGs, in line with the target outcomes of the sustainability objective. Internal research has indicated that companies with this level of revenue have significant management focus on the SDG-aligned area of their business, which enables them to consistently deliver in line with the fund's sustainability objective and continue to grow that area of the business.

- **Classified bonds assessment:** Bonds which are predominantly self-classified as Green, Social and Sustainable Bonds ('GSS Bonds') are assessed against the GSS Bond principles or relevant and local standards. GSS Bonds are forward-looking use of proceeds bonds that fund pre-defined standalone projects with specific environmental benefits or social outcomes.

**Why is this appropriate:** Sustainability classification gives independent, industry-recognised assurance that the bond will contribute to the positive outcome it is designed to finance, in line with the target outcomes of the sustainability objective. Principles supporting classification are reviewed and updated to take into account changes and improvement in sustainable practices.

- **Alternatives assessment:** Alternative assets selected for the Fund are typically real assets such as hospitals, bridges, property, and renewable energy farms. Where it cannot be assessed via the UN SDG Alignment Model or the GSS bonds assessment above, for an alternative asset to contribute to solutions, it must demonstrate that at least 90% of its activities are helping to advance one or more UN SDGs. To determine revenue alignment of over 90%, the Investment Manager reviews robust evidence provided by the underlying manager of the alternative asset. The evidence is assessed to determine: what the asset does and where it operates; what SDG its products and/or services are helping achieve; and what outcomes it is or intends to generate to help advance that SDG. Evidence could include an annual impact report, a Renewable Energy Guarantee Origin (REGO) certificate, a community assessment report, local council planning applications, and media articles. In addition, we request that an indicator from the below list be

selected (where applicable) to monitor the intended outcomes and allow the Investment Manager to compare across different assets:

- **Inclusion:** Estimated number of people provided with financial services. An investment example would be a microfinance institution in a frontier market providing small loans to a female entrepreneur to start a business and become financially independent (aligned with SDG 1 – No Poverty).
- **Health and wellbeing:** Estimated number of people provided with healthcare, estimated number of people provided with quality education. An investment example would be a project to build a new doctor's surgery in a remote and difficult to access area (aligned with SDG 3 – Good Health and Wellbeing).
- **Climate change:** Tonnes of CO<sub>2</sub> emissions avoided, megawatt hours of renewable energy generated, estimated number of people provided with clean energy. An investment example would be an offshore wind project (aligned with SDG 7 – Affordable and Clean Energy).
- **Responsible consumption:** Tonnes of waste avoided, cubic meters of water saved, cubic meters of water treated. An investment example would be a new wastewater underground system which prevents leaks and water pollution into local rivers (aligned with SDG 12 – Responsible Consumption & Production and SDG 14 – Life Below Water).
- **Sustainable infrastructure:** Estimated number of people provided with digital services, estimated number of people provided with access to drinking water. An investment example would be underwater fibre optic sea cables to improve internet accessibility (in particular to rural areas) (aligned with SDG 9 – Industry Innovation and Infrastructure).

The Investment Manager's assessment is then submitted to Schroders' Sustainable Investment Panel (the Panel) for review and ratification before it can be classed as a sustainable investment. Please see **"Are there any exceptions to the tests set out above, and what is the role of the Sustainable Investment Panel?"** below for more details.

**Why is this appropriate:** The assessment uses independent, industry-recognised indicators of contribution to UN SDGs, in line with the target outcomes of the sustainability objective. Such indicators are reviewed and updated on an ongoing basis to take into account changes and improvement in sustainable practices. Internal research has indicated that companies with this high level of activity alignment have significant management focus on the SDG-related area of their business, which enables them to consistently deliver in line with the fund's sustainability objective and continue to grow that area of the business. The Panel assessment provides an additional layer of independent

assurance, which ensures that assets are reviewed against a consistent set of criteria and that the assessment process is robust and repeatable.

#### **g. Examples of investments that contribute to solutions**

This category could include, for example, investments in the shares of a listed company which manufactures renewable energy assets, through the secondary market (UN SDG 7 – affordable and clean energy). This category could also include a development bank bond focused on improving sustainable farming practices in developing economies in Asia (UN SDG 15 – life on land). It also includes alternative investments such as renewable energy farms (UN SDG 7 – affordable and clean energy) or social housing projects (UN SDG 11 – Sustainable Cities and Communities).

**Are there any exceptions to the tests set out above, and what is the role of the Sustainable Investment Panel?**

In some exceptional cases, SustainEx™ or the UN SDG Alignment Model does not provide a fair reflection of a company's benefit to stakeholders or contribution to solutions. In these circumstances, the Investment Manager can refer such investments to Schroders' Sustainable Investment Panel (the Panel), an independent panel of experts. The Panel reviews additional robust evidence provided by the Investment Manager to determine whether, if such evidence were available to SustainEx™ or the UN SDG Alignment Model, the investment would achieve a positive SustainEx score or at least 90% revenue alignment with one or more of the UN SDGs. This could be relevant where a model does not capture an area of positive contribution – such as where a company produces a particularly sustainable product whose benefit/contribution is not fully captured by the company's overall score/revenue alignment. Alternatively, it could be relevant where the Investment Manager is able to supply additional data to enhance a calculation – such as where a company does not publish details of employee salaries, but the Investment Manager is able to obtain or more accurately estimate this from other sources.

The Panel also reviews the Investment Manager's assessment of individual alternative assets where their contribution to solutions cannot be assessed using the UN SDG Alignment Model or the GSS bonds assessment. The Panel reviews the evidence provided by the Investment Manager to determine whether its assessment of an asset as contributing to solutions is appropriate. The Panel uses the following standard framework to assess all evidence submitted, in order to maintain a consistent and systematic review process:

- Is there clear and robust evidence that the activities of the investment further one or more of the UN SDGs?
- Is there clear and robust evidence that these activities represent over 90% of the investment's overall activities?

The Panel comprises sustainability specialists from Schroders' Sustainable Investment team and senior representatives from Schroders' Product, Legal, Investment Risk and Compliance teams. Panel members

from the Sustainable Investment team have voting rights. Their role is to assess the technical basis of a proposal to ensure that an investment meets the necessary criteria to be considered a sustainable investment. A majority vote is required for an investment to be approved as sustainable. Non-voting Panel members each have a veto right; a single veto is sufficient to block an investment from approval. Their role is ensure that the voting members have followed the correct procedure in reaching a decision and the evidence provided is drawn from robust sources. The Panel's decisions are documented and once an investment has been approved as sustainable, this status is incorporated into portfolio compliance coding for the Fund. Once an individual investment has been approved by the Panel, the ongoing positive contribution of that investment is regularly reviewed by the Investment Manager to ensure that it remains aligned with the Panel's requirement.

**Is the process different when the Fund invests in another fund?**

When deciding whether to invest in another fund, the Investment Manager performs due diligence on the fund's manager to ensure their approach aligns with our sustainability objective, as well as reviewing the investments of that fund individually against the tests set out above. This approach ensures direct and indirect assets are assessed against the same criteria. The underlying assets of the fund must also be compliant with the Fund's exclusions (including those designed to avoid assets that conflict with the Fund's sustainability objective) before the Investment Manager can invest – please see **"What will the Investment Manager avoid investing in?"** below for more details.

Due diligence questions for underlying managers are based on existing industry frameworks and include, but are not limited to:

- Does the manager's approach mean that it will tend to select companies that will contribute to the Fund's sustainability objective?
- Does the manager have a stewardship strategy deemed to support the sustainability of the asset towards the Fund's sustainability objective?
- Does the manager have an escalation plan for circumstances where the investment falls behind the required standard of sustainability?
- Is the manager receptive to engagement ideas provided by the Investment Manager?
- Does the manager have a voting record which generally supports the furtherance of the Fund's sustainability objective?
- Does the manager's approach and safeguards mean it will avoid investing in assets that conflict with the Fund's sustainability objective?

Please see **"What actions does the investment manager take if an investment isn't meeting or progressing towards the sustainability objective, or doesn't perform well enough against the KPIs?"** below



for details on what actions the Investment Manager may take if the investments of a fund it holds cease to be aligned with the Fund's sustainability objective.

### What will the Investment Manager avoid investing in?

A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the Investment Manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.

The Fund does not directly invest in assets that the Investment Manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcome it seeks.

The Investment Manager has defined a broad list of activities that conflict with the sustainability objective, including material revenues from harmful sectors (see exclusions criteria), firms that breach the UN Global Compact principles or good governance practices. These are assets that are deemed to create material harm for people/ planet and/or actively and materially worsen key social and environmental challenges. For example, violators of UN Global Compact principle 4 on forced or compulsory labour materially harm employee wellbeing and fossil fuels extraction worsens the environmental challenges associated with global warming SDG 7 (Clean and affordable energy and SDG 13 Climate Change). Companies with material revenues from such sectors (maximum 10%) are deemed to conflict with the sustainability objective and are thus excluded.

The Investment Manager also excludes investment in collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds where the vehicle manager has poor ESG integration capabilities based on the Investment Manager's ESG strategy level scorecard. This achieves a minimum standard in indirect investment selection. The Fund avoids these assets by excluding certain categories of investment above certain thresholds. In the instance of direct investments, the Investment Manager is responsible for the asset selection and is subject to the same ESG strategy level scorecard.

More details on the Fund's exclusions and related exposure thresholds (including those used to identify conflicting assets) can be found under 'Sustainability Information' on the Fund's website accessed via <https://www.schroders.com/en-gb/uk/individual/fund-centre/>.

### What else might the Fund invest in?

**The Fund commits to holding a minimum percentage of investments that are aligned with the sustainability objective, as set out in the investment policy. In addition to these investments, the Fund may hold other investments that are not deemed sustainable provided that they do not conflict with the sustainability objective. This section explains what the Fund may hold other than investments aligned with the sustainability objective, and why.**

The Fund invests at least 70% of its portfolio in assets that are aligned with the sustainability objective. Outside of the minimum 70%, the Fund may also hold other assets

that have not passed this assessment, for liquidity, risk management or diversification purposes. These may include assets that are treated as neutral for sustainability purposes such as cash, money market instruments and derivatives used with the aim of reducing risk or managing the Fund more efficiently (where permitted by the investment policy). They may also include investments that the investment manager believes may be able to meet the sustainability objective over time, or other investments that the investment manager believes are appropriate for diversification of the Fund's portfolio or the pursuit of the investment objective. The Investment Manager carries out an assessment of these assets to ensure that they do not conflict with the sustainability objective, based on the screening mentioned above and consideration of any incident or verified credible claim of adverse conduct or practices. No investment will be held if the Investment Manager believes there to be a conflict with the Fund's sustainability objective.

### Could the Fund's investments lead to material negative outcomes for the environment and/or society?

**Although the Fund aims to achieve the positive outcome for the environment/society set out in the sustainability objective, other unintended negative outcomes for the environment/society could be caused by the Fund's investments. This section explains what those outcomes could be.**

All investments can have both negative and positive effects on society and the environment. Although the Fund aims to select investments that create positive sustainability outcomes, such assets may still produce some negative outcomes for the environment and society in other areas. For example:

- an electric car manufacturer may produce an environmental benefit in terms of avoided carbon emissions (emissions saved indirectly by substituting high carbon activities with low carbon alternatives) but could also produce a social cost if it pays its employees less than a living wage.
- a supermarket chain may provide the social benefits of paying more than living wages and making donations to the local community, but also create an environmental cost by contributing to food waste.
- a public utility company may provide and maintain sewerage infrastructure (therefore providing the social benefit of increasing access to sanitation) but could use water in an unsustainable way.

### Could the Fund's sustainability objective have a negative effect on financial risks and returns?

**This section explains how the Fund's pursuit of its sustainability objective could affect the more general risks related to the Fund, and the financial returns that it aims to achieve.**

The Fund applies sustainability criteria in its selection of investments. This may limit the Fund's exposure to some companies, industries or sectors and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria. Any reduction in the investment universe, based on

factors unrelated to financial considerations, could potentially limit financial returns and/or increase financial risks.

To identify and mitigate sustainability risks, the investment decision making process for the Fund includes the consideration of these risks alongside other factors. A sustainability risk is an environmental or social event or condition that, if it occurs, could cause an actual or potential material negative effect on the value of an investment and the returns of the Fund. Although different strategies may require different approaches to the integration of such risks, the Investment Manager will typically assess potential investments by looking at the overall costs and benefits to society and the environment that an issuer may generate, or how the market value of an issuer may be influenced by individual sustainability risks. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders, including an assessment of whether those relationships are managed in a sustainable manner and, therefore, whether there are any material risks to the market value of the issuer.

As Unitholders may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of particular Unitholders.

**How does the Investment Manager monitor whether the Fund is meeting its sustainability objective?**

What are the Investment Manager's policies and procedures to ensure that the Fund is meeting its sustainability objective?

**Funds using a Sustainability Label must have appropriate policies and procedures in place to support their achievement of their sustainability objective. This section provides details of those policies/procedures.**

The Fund's compliance with the requirement to invest at least 70% of its portfolio in investments aligned with the sustainability objective is monitored systematically on a daily basis via the Investment Manager's compliance control framework.

The Fund also applies certain exclusions as referred to above, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework. To ensure compliance with the exclusionary policy, assets owned indirectly via Funds are also screened against the same criteria on a regular basis.

**What Key Performance Indicators (KPIs) does the Investment Manager use to assess whether the Fund is meeting its sustainability objective?**

**Funds using a Sustainability Label must set KPIs that demonstrate whether the Fund is achieving or progressing towards its sustainability objective over time. This section sets out the relevant KPIs for the Fund.**

The Investment Manager uses the KPIs below to assess whether the Fund is meeting its sustainability objective. The reporting frequency will usually be 12 months, but may be longer in respect of the first year that the Fund applies a Sustainability Label and shorter for the second year.



Type/label	KPI	Purpose
General	Percentage of investments that are aligned with the sustainability objective	A fund that uses the Sustainability Focus label must ensure that at least 70% of its portfolio is invested in assets that are environmentally and/or socially sustainable. This KPI shows the actual percentage of the Fund which is invested in sustainable assets (based on the tests described under <b>"How does the Investment Manager identify investments aligned with the sustainability objective?"</b> above).
	Investments that are classified as sustainable based on Panel review	As described above, where a company does not achieve a positive SustainEx™ score or over 90% revenue on the UN SDG Alignment Model, the Investment Manager can ask the Panel to review additional evidence to determine whether, if such evidence was available to SustainEx™ or the Model, the company would achieve a positive score or revenue alignment over 90%. The Panel can also ratify the Investment Manager's assessment of how an alternative asset 'contributes to solutions' as described above. This KPI illustrates the Fund's exposure to investments where the Panel has determined these requirements have been met.
	Percentage of investments aligned with each outcome (benefit stakeholders/ contribute to solutions)	This KPI illustrates what proportion of the Fund's assets benefits stakeholders and what proportion contributes to solutions (based on the tests described under <b>"How does the Investment Manager identify investments aligned with the sustainability objective?"</b> above).
Benefit stakeholders (Bs)	People score for Bs (equities and bonds, excluding Sustainability Linked Bonds)	This KPI shows the positive social contribution of investments deemed to benefit 'people' stakeholders (equities and bonds, excluding Sustainability Linked Bonds) compared against the Fund's benchmark. Data will be sourced from SustainEx™, as described under <b>"How does the Investment Manager identify investments aligned with the sustainability objective?"</b> above.
	Planet score for Bs (equities and bonds, excluding Sustainability Linked Bonds)	This KPI shows the positive environmental contribution of investments deemed to benefit 'planet' stakeholders (equities and bonds, excluding Sustainability Linked Bonds) compared against the Fund's benchmark. Data will be sourced from SustainEx™, as described under <b>"How does the Investment Manager identify investments aligned with the sustainability objective?"</b> above.
	Top contributing factors driving the people and planet scores (equities and bonds, excluding Sustainability Linked Bonds)	This KPI demonstrates the top contributing SustainEx™ factors, which evidence positive outcomes for stakeholders, relative to the benchmark. These factors can include any of the factors that are included in the overall SustainEx™ score.
Contribute to solutions (Cs)	Proportion of assets that contribute to solutions aligned with each of the UN SDG and the five UN SDG Themes.	This KPIs shows what percentage of the portfolio is contributing to each of the 17 UN SDGs and the five UN SDG Themes (Inclusion; Health and Wellbeing; Climate Change; Responsible Consumption and Production; and Sustainable Infrastructure).
	Total number of people reached	This KPI demonstrates how the assets are contributing to solutions aligned to the UN SDGs. This figure is derived by combining relevant social metrics,* such as the number of people provided with services from healthcare (SDG 3), education (SDGs 4, 9 & 3), and housing (SDGs 1, 9, 10 & 11); and the number of people given access to financial services (SDGs 1 & 10) and digital services (SDGs 9 & 10).
	Total carbon avoided	This KPI demonstrates how the assets are contributing to solutions aligned to the UN SDGs. This figure is derived by combining relevant environmental metrics,* such as MWH of renewable energy generated (SDGs 7, 9 & 13), units of water treated (SDGs 3, 6, 13 & 14) and tonnes of waste avoided (SDGs 2, 12, 13, 14 & 15), to estimate the total carbon avoided.

\* The metrics used to calculate the total number of people reached and total carbon avoided are not definitive and may vary year on year based on available information and changes in the assets held within the portfolio. The metrics are based on information reported by the underlying assets, which may include qualitative as well as quantitative indicators and include estimates where information is not available.

## How does the Investment Manager engage with the investments it holds to support their contribution to the Fund's sustainability objective?

**Funds using a Sustainability Label must have a 'stewardship' strategy designed to support their achievement of their sustainability objective, which sets out how the Investment Manager will try to influence the management teams of its investments to encourage behaviour that supports the Fund's sustainability objective and discourage behaviour that does not. This section summarises what types of engagement the Investment Manager may use and the types of topics it may engage on.**

The Investment Manager engages with selected assets held by the Fund to support the achievement of the Fund's sustainability objective. This means working with issuers and managers, where appropriate, to try to improve or increase the sustainability outcomes delivered.

As the Fund aims to select investments that benefit stakeholders or contribute to solutions, the Investment Manager engages across a wide range of considerations linked to stakeholders and UN SDG Themes, including but not limited to:

Benefitting stakeholders topics	Contributing to solutions topics
<p><b>Environment:</b> encouraging issuers or managers to reduce their carbon emissions.</p> <p><b>Employees:</b> encouraging managers to improve the diversity of their investment teams or board directors; and to engage with the underlying companies within their strategy to also improve their diversity.</p> <p><b>Customers:</b> encouraging issuers or managers to ensure that products and services do not adversely affect human rights.</p> <p><b>Communities:</b> encouraging issuers to commit to supporting local communities who may experience adverse effects from the issuer's operations in the area, for instance, an infrastructure trust building new assets.</p>	<p><b>Inclusion:</b> encouraging an issuer to expand the number of interim housing available for victims of domestic violence.</p> <p><b>Health and wellbeing:</b> encouraging an issuer to increase the number of countries they distribute insulin medication to.</p> <p><b>Climate change:</b> encouraging a manager to require carbon avoided for all underlying issuers.</p> <p><b>Responsible consumption:</b> encouraging an issuer to increase the number of members on their second-hand marketplace app.</p> <p><b>Sustainable infrastructure:</b> encouraging a manager to require all buildings to convert to level A environmental performance and use green cement in all new construction.</p>

**Net zero:** engaging with issuers and fund managers to encourage them to set commitments to decarbonise and/or to align their investment strategies with the transition to a net zero economy (based on the Investment Manager's net zero alignment criteria), in order to increase the potential for the Fund to achieve net zero emissions by 2050 – although this does not form part of the Fund's objectives, and there is no guarantee that the Fund will be able to do so.

Engagements may include conversations with management teams, or fund managers, and can cover business practices, operations, governance, products and services and fund managers' strategies. Engagements may be initiated by the Investment Manager should concerns arise from the analysis undertaken or if improvements are identified in connection with the Fund's investments aligned with the sustainability objective. Engagements are expected to be structured around a standard set of principles:

- Identify material sustainability issues.
- Establish dialogue – with either company management or the fund manager to understand the asset's sustainability strategy (if held respectively directly or indirectly); it may also be with the fund manager solely regarding best practices at the fund level.

- Set goals – to communicate clear expectations to companies, or fund managers regarding their sustainability practices.
- Monitor and track progress, assessing company or fund managers action towards engagement outcomes.

**Escalating engagement with direct investments:** In addition to conversations undertaken directly with management teams, the Investment Manager may escalate engagement, such as through using voting rights to try to effect positive change on sustainability matters, which may include co-ordinated engagement and voting with other investment teams, asset managers or asset owners where the investment manager believes this will have greater effect.

**Escalating engagement with indirect investments:** In addition to the conversations undertaken directly with fund managers, the Investment Manager may escalate engagement, such as by relaying our concerns beyond

the fund manager to the firm's senior management or board, or collaborating with other asset or wealth managers and asset owners to increase pressure privately, or publicly – for example, through open letters.

The Investment Manager uses a proprietary system to log engagements with companies and funds and monitor progress, with activity and outcomes recorded for auditing and reporting purposes.

The Investment Manager is also a signatory to the UK Stewardship Code 2020. Further information about the investment manager's approach to stewardship is set out in its Engagement Blueprint, found here: <https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf>

**What actions does the investment manager take if an investment isn't meeting or progressing towards the sustainability objective, or doesn't perform well enough against the KPIs?**

**This section explains what the next steps will be if an investment ceases to be an investment aligned with the sustainability objective or is not performing well enough against the KPIs.**

**Directly held assets:** Investments will be monitored and reviewed against the Investment Manager's sustainability criteria. In instances where new materially adverse

information arises or a material controversy is identified, no further investment in the company will be made while the Investment Manager evaluates the effect and considers next steps. If the Investment Manager subsequently no longer deems a company to be an investment aligned with the sustainability objective, the Investment Manager will usually aim to sell the investment within 10 days, or alternatively will deem it to fall outside the minimum percentage of investments aligned with the sustainability objective specified above (provided that it does not conflict with the sustainability objective).

**Indirectly held assets (fund investments):** Indirect assets are monitored and reviewed against the investment manager's sustainability criteria. If an asset within a fund is no longer deemed to be an investment aligned with the sustainability objective, that specific asset will be deemed to fall outside the minimum percentage of investments aligned with the sustainability objective specified in the investment policy (provided that it does not conflict with the sustainability objective). Where a manager holds an asset that the Investment Manager deems to present a risk of material negative outcomes, the Investment Manager undertakes an engagement with that manager to understand the rationale for holding that asset within its fund and will escalate accordingly (which could include selling the fund).

## Fund Characteristics

Date of authorisation	21 December 2020
Classes of Units	S Accumulation and S Income <sup>1</sup> Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder & Co. Limited
Annual accounting date	31 August
Half-yearly accounting date	28 February
Income allocation dates	30 April, 31 October
Profile of a typical investor	The Fund is a medium risk fund aiming to provide long-term capital growth and income through investment in directly and indirectly in equities, bonds and alternative assets. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses, and who have expressed sustainability preferences that are aligned with the sustainability objective of the Fund. Investors should regard their investment as long-term (five to seven years) and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark of the UK Consumer Price Index plus 3.5%, and compared against the Asset Risk Consultants (ARC) Sterling Steady Growth Private Client Index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

<sup>1</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.

	The comparator benchmark has been selected because Schroders and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its net asset value in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) paid by these funds to the Manager will be rebated to the Fund.
Investment in Schroder UK Real Estate Fund	<p>The Fund may invest up to 5% of its assets in Schroder Capital UK Real Estate Fund (SCREF) which is an FCA authorised Qualified Investor Scheme and is constituted as a Property Authorised Investment Fund. SCREF invests some of its assets in real estate investments which are structured as collective investment schemes. SCREF may in turn invest up to 15% of its net asset value in collective investment schemes as well as investing in special purpose vehicles for the purpose of holding property.</p> <p>Please note that the Fund is not required to maintain an investment in SCREF, but may make such an investment at the discretion of the investment manager at any time.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Maximum Permitted Level of Leverage – gross leverage ratio	1.2
Maximum Permitted Level of Leverage – commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>Sustainable investing risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
S	None	None	None	Up to 0.50%	0.00%
Z	£50,000	£10,000	£50,000	0.79%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Multi-Manager Funds

### Schroder Income Portfolio (PRN 529355)

#### Investment Objective

The Fund aims to provide an income of 3% to 5% per year and capital growth by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 50% to 65% of that of global stock markets (represented by the MSCI All Country World index). This is not guaranteed and could change depending on market conditions.

#### Investment Policy

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- a. Equity or equity related securities
- b. Fixed income securities (including government bonds and corporate bonds)
- c. Currencies
- d. Alternative assets; and

#### e. Derivatives

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate, infrastructure and commodities.

The Fund seeks to achieve the target average volatility by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target average level if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target average volatility.

The Fund may invest between 20% and 60% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to Appendix I Section 10: Derivatives and Forward Transactions of the Prospectus).

#### Fund Characteristics

Date of authorisation	22 November 2010
Classes of Units	A Accumulation and A Income S Accumulation and S Income <sup>1</sup> Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder & Co. Limited
Sub-investment manager	Schroder Investment Management Limited
Annual accounting date	28 February
Half-yearly accounting date	31 August
Income allocation dates	31 July, 31 October, 31 January, 30 April
Profile of a typical investor	The Fund aims to provide consistent levels of income and some capital growth over the medium-term to long-term from a diversified portfolio of investments. Investors should regard their investment as medium to long-term and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against the income target of 3–5% per year, and compared against the Investment Association Mixed Investment 20% to 60% Shares sector average return.

<sup>1</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.

Benchmark selection	<p>The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.</p> <p>The comparator benchmark has been selected because the investment manager and Schroders believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by the Manager	The Fund may invest in the units and shares of funds managed by or operated by the Manager or an associate of the Manager. Where the Fund invests in funds managed by or operated by a member of the Schroders group, management charges of such funds will be paid by the Fund and not rebated.
Schroders Annual Charge being charged wholly to capital	As a result of the Schroders Annual Charge being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income may result in an increase in Unitholder's personal income tax liability.
Maximum permitted level of leverage – gross leverage ratio	1.2
Maximum permitted level of leverage – commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Capital erosion risk</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
A	£1,000	£500	£1,000	0.20%	0.00%
S	None	None	None	0.20%	0.00%
Z	£25,000	£500	£5,000	0.20%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.



## Schroder MM Diversity Fund (PRN 200076)

### Investment Objective

The Fund aims to provide capital growth in excess of the UK Consumer Price Index (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets worldwide. There is no guarantee that this objective will be met and your capital is at risk.

### Investment Policy

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts and closed ended funds in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include hedge funds, real estate, private equity and commodities.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may directly or indirectly invest in money market instruments and may hold cash.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds).

The Fund invests (directly or indirectly) one third of its assets in equity and equity related securities, one third in fixed and floating rate securities, money market instruments and cash, and one third in alternative assets. The Fund may deviate from this by up to 5% of assets (+/-) for equity and equity related securities and alternative assets, and by up to 10% of assets (+/-) for fixed and floating rate securities, money market instruments and cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to **section 6**. 'Derivatives and forwards' of **Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	22 November 2010
Date of authorisation	3 May 2002
Classes of Units	A Accumulation and A Income Q Accumulation S Accumulation and S Income <sup>1</sup> T Accumulation Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	28 February
Half-yearly accounting date	31 August
Income allocation dates	30 April and 31 October
Profile of a typical investor	The Fund aims to provide long-term capital growth. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix 3 and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed the UK Consumer Price Index, and compared against the Investment Association Mixed Investment 20% to 60% Shares sector average return.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

<sup>1</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.

	The comparator benchmark has been selected because the investment manager and Schroders believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by the Manager	The Fund may invest in the units and shares of funds managed by or operated by the Manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the Manager or a member of the Schroders group, the management charges (if any) in respect of these
Maximum permitted level of leverage – gross leverage ratio	1.8
Maximum permitted level of leverage – commitment leverage ratio	1.8
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Credit risk</p> <p>Currency risk</p> <p>Derivatives risk</p> <p>High yield bond risk</p> <p>Liquidity risk</p> <p>Multi-Manager risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
A	£1,000	£500	£1,000	1.17%	0.00%
Q	£25,000	£500	£5,000	0.46%	0.00%
S	None	None	None	Up to 1.00%	0.00%
T	£25,000	£500	£5,000	0.46%	0.00%
Z	£25,000	£500	£5,000	0.67%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Schroder UK Multi-Cap Income Fund (PRN 200077)<sup>1</sup>

### Investment Objective

The Fund aims to provide income and capital growth in excess of the FTSE All Share (Gross Total Return) Index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies. The Fund also aims to deliver an income of 5% per year, although this is not guaranteed and could change depending on market conditions.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

The Fund focusses on companies with a range of market capitalisations that have certain 'Quality' characteristics. Quality is assessed by looking at indicators such as a company's profitability, stability and financial strength.

To seek to enhance the yield, the investment manager selectively sells short dated call options over individual securities, portfolios of securities or indices held by the Fund, by agreeing strike prices above which potential capital growth is sold.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **section 6 of Appendix 2** of the Prospectus).

The Fund's investment strategy may typically underperform a similar portfolio of equities without a derivative overlay in periods when the underlying equity prices are rising, and has the potential to outperform when the underlying equity prices are falling.

### Fund Characteristics

Date of authorisation	3 May 2002
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation and Q Income S Accumulation and S Income <sup>2</sup> X Accumulation and X Income (monthly) Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	28 February
Half-yearly accounting date	31 August
Income allocation dates	30 April, 31 October
Other income allocation dates for X Income (monthly)	31 January, 28 February, 31 March, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November, 31 December.
Profile of a typical investor	The Fund aims to provide capital growth and consistent levels of income over the medium term. It may be suitable for investors who are seeking the reasonable levels of income and some capital growth over the longer term from a diversified portfolio of UK equities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.

<sup>1</sup> Schroder UK Multi-Cap Income Fund was liquidated on 12 December 2025 and is now in wind-up

<sup>2</sup> S Class Units are available at the Manager's discretion to certain clients of the Schroder group wealth management business. Please see section 1 for further information.

Benchmark	The Fund's performance should be assessed against its target benchmarks, being (1) to exceed the FTSE All Share (Gross Total Return) index; and (2) to provide 5% income per year, and compared against the Investment Association UK Equity Income sector average return. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.
Benchmark selection	<p>The target benchmarks have been selected either because they are representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide, or because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective</p> <p>The comparator benchmark has been selected because Schroders and the investment manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.</p>
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Schroders Annual Charge being charged wholly to capital	As a result of the Schroders Annual Charge being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income may result in an increase in Unitholder's personal income tax liability.
Maximum permitted level of leverage – gross leverage ratio	1.2
Maximum permitted level of leverage – commitment leverage ratio	1.2
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <ul style="list-style-type: none"> <li>– Capital erosion risk</li> <li>– Concentration risk</li> <li>– Counterparty risk</li> <li>– Currency risk</li> <li>– Derivatives risk</li> <li>– Liquidity risk</li> <li>– Multi-Manager risk</li> </ul> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
A	£1,000	£500	£1,000	1.44%	0.00%
L	None	None	None	Up to 1.00%	0.00%
Q	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
X	£25,000,000	£10,000,000	£25,000,000	0.02%	0.00%
Z	£25,000	£500	£5,000	0.75%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Managed Portfolio Service Funds

### Schroder MPS Emerging Markets Equity Portfolio (PRN 1044723)

#### Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI Emerging Markets (Net Total Return) (GBP) Index (after fees have been deducted) over any three to five year period by investing in equity and equity related securities of emerging markets companies.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds).

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, warrants and money market instruments, and hold cash.

#### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes, exchange traded funds or closed ended funds (including Schroder funds), in equity and equity related securities of emerging markets companies.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **Section 6 of Appendix 2** of the Prospectus).

#### Fund Characteristics

Date of authorisation	21 October 2025
Classes of Units	Q Accumulation <sup>1</sup>
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	30 September
Half-yearly accounting date	31 March
Income allocation dates	31 May, 30 November
Profile of a typical investor	<p>The Fund aims to provide the potential for both capital growth and income. It may be suitable for investors who are seeking to combine income and capital growth opportunities in emerging markets equity markets over the long term. Investors should be aware that the Fund's value may be adversely affected in the short term in some market environments and should regard their investment as medium to long term (3 to 5 years).</p> <p>Investors should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.</p>
Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI Emerging Markets (Net Total Return) (GBP) Index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by the manager	The Fund may invest up to 100% of its Net Asset Value in the units and shares of funds managed by or operated by the manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the manager or a member of the Schroders group, management charges of such funds (if any) will be paid by the Fund and not rebated.
Maximum permitted level of leverage – gross leverage ratio	180%

<sup>1</sup> Q Class Units are available at the Manager's discretion to clients of the Schroder Investment Solutions Model Portfolio Service. Please see section 1 for further information.

Maximum permitted level of leverage – commitment leverage ratio	180%
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Market risk</p> <p>Country and Political risk</p> <p>Currency risk</p> <p>Sector and Stock-Specific risk</p> <p>Multi-Manager risk</p> <p>Emerging Markets and frontier risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q	£10,000	£10,000	£10,000	0.05%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.



## Schroder MPS Europe Ex UK Equity Portfolio (PRN 1044724)

### Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI Europe ex UK (Net Total Return) (GBP) Index (after fees have been deducted) over any three to five year period by investing in equity and equity related securities of European ex UK companies.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes, exchange traded funds or closed ended funds (including Schroder funds), in equity and equity related securities of European ex UK companies.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds). The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **Section 6 of Appendix 2** of the Prospectus).

Date of authorisation	21 October 2025
Classes of Units	Q Accumulation <sup>1</sup>
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	30 September
Half-yearly accounting date	31 March
Income allocation dates	31 May, 30 November
Profile of a typical investor	The Fund aims to provide the potential for both capital growth and income. It may be suitable for investors who are seeking to combine income and capital growth opportunities in the European (excluding the UK) equity markets over the long term. Investors should be aware that the Fund's value may be adversely affected in the short term in some market environments and should regard their investment as medium to long term (3 to 5 years). Investors should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI Europe ex UK (GBP) Index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its Net Asset Value in the units and shares of funds managed by or operated by the manager or a member of the Schrodgers group. Where the Fund invests in funds managed by or operated by the manager or a member of the Schrodgers group, management charges of such funds (if any) will be paid by the Fund and not rebated.
Maximum permitted level of leverage – gross leverage ratio	180%
Maximum permitted level of leverage – commitment leverage ratio	180%
Fund risk factors	In addition to the general risks of investing, as set out in <b>Appendix 3</b> , the most relevant risk factors which are applicable to the Fund are:

<sup>1</sup> Q Class Units are available at the Manager's discretion to clients of the Schroder Investment Solutions Model Portfolio Service. Please see section 1 for further information.

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Counterparty risk  
 Currency risk  
 Operational risk  
 Performance risk  
 Derivatives risk  
 Liquidity risk  
 Market risk  
 Multi-manager risk  
 No capital guarantee risk

A full description of each of these risks can be found in **Appendix 3**.

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#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q	£10,000	£10,000	£10,000	0.05%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Schroder MPS Japan Equity Portfolio (PRN 1044725)

### Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI Japan (Net Total Return) (GBP) Index (after fees have been deducted) over any three to five year period by investing in equity and equity related securities of Japanese companies.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes, exchange traded funds or closed ended funds (including Schroder funds), in equity and equity related securities of Japanese companies.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds). The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **Section 6 of Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	21 October 2025
Classes of Units	Q Accumulation <sup>1</sup>
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	30 September
Half-yearly accounting date	31 March
Income allocation dates	31 May, 30 November
Profile of a typical investor	The Fund aims to provide the potential for both capital growth and income. It may be suitable for investors who are seeking to combine income and capital growth opportunities in Japanese equity markets over the long term. Investors should be aware that the Fund's value may be adversely affected in the short term in some market environments and should regard their investment as medium to long term (3 to 5 years). Investors should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI Japan (GBP) Index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its Net Asset Value in the units and shares of funds managed by or operated by the manager or a member of the Schrodgers group. Where the Fund invests in funds managed by or operated by the manager or a member of the Schrodgers group, management charges of such funds (if any) will be paid by the Fund and not rebated.
Maximum permitted level of leverage – gross leverage ratio	180%
Maximum permitted level of leverage – commitment leverage ratio	180%

<sup>1</sup> Q Class Units are available at the Manager's discretion to clients of the Schroder Investment Solutions Model Portfolio Service. Please see section 1 for further information.

Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Currency risk</p> <p>Emerging markets and frontier risk</p> <p>Operational risk</p> <p>Performance risk</p> <p>Derivatives risk</p> <p>IBOR risk</p> <p>Liquidity risk</p> <p>Market risk</p> <p>Multi-Manager risk</p> <p>No capital guarantee risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>
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#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q	£10,000	£10,000	£10,000	0.05%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Schroder MPS North America Equity Portfolio (PRN 1044726)

### Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI North America (Net Total Return) (GBP) Index (after fees have been deducted) over any three to five year period by investing in equity and equity related securities of US and Canadian companies.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly (through collective investment schemes and exchange traded funds including Schroder funds) in equity and equity related securities of US and Canadian companies.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds). The Fund may also invest directly or indirectly in other securities (including in other asset classes), industries or currencies, warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **Section 6 of Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	21 October 2025
Classes of Units	Q Accumulation <sup>1</sup>
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	30 September
Half-yearly accounting date	31 March
Income allocation dates	31 May, 30 November
Profile of a typical investor	The Fund aims to provide the potential for both capital growth and income. It may be suitable for investors who are seeking to combine income and capital growth opportunities in the US and Canadian equity markets over the long term. Investors should be aware that the Fund's value may be adversely affected in the short term in some market environments and should regard their investment as medium to long term (3 to 5 years). Investors should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI North America (GBP) Index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its Net Asset Value in the units and shares of funds managed by or operated by the manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the manager or a member of the Schroders group, management charges of such funds (if any) will be paid by the Fund and not rebated.
Maximum permitted level of leverage – gross leverage ratio	180%

<sup>1</sup> Q Class Units are available at the Manager's discretion to clients of the Schroder Investment Solutions Model Portfolio Service. Please see section 1 for further information.

Maximum permitted level of leverage – commitment leverage ratio	180%
Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Currency risk</p> <p>Operational risk</p> <p>Performance risk</p> <p>Derivatives risk</p> <p>Liquidity risk</p> <p>Market risk</p> <p>Multi-Manager risk</p> <p>No capital guarantee risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>

#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q	£10,000	£10,000	£10,000	0.04%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.



## Schroder MPS UK Equity Portfolio (PRN 1044727)

### Investment Objective

The Fund aims to provide capital growth and income in excess of the FTSE AS TR Index (after fees have been deducted) over any three to five year period by investing in equity and equity related securities of UK companies.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through collective investment schemes, exchange traded funds or closed ended funds (including Schroder funds), in equity and equity related securities of UK companies.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds). The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, warrants and money market instruments, and hold cash. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to **Section 6 of Appendix 2** of the Prospectus).

### Fund Characteristics

Date of authorisation	21 October 2025
Classes of Units	Q Accumulation <sup>1</sup>
Base Currency	GBP (£)
Valuation point	12:00 p.m. daily
Settlement period of subscription and redemption proceeds	Within 4 Business Days from the relevant Dealing Day
Investment manager	Schroder Investment Management Limited
Annual accounting date	30 September
Half-yearly accounting date	31 March
Income allocation dates	31 May, 30 November
Profile of a typical investor	The Fund aims to provide the potential for both capital growth and income. It may be suitable for investors who are seeking to combine income and capital growth opportunities in the UK equity market over the long term. Investors should be aware that the Fund's value may be adversely affected in the short term in some market environments and should regard their investment as medium to long term (3 to 5 years). Investors should read the risk warnings set out in <b>Appendix 3</b> and the Fund's Key Investor Information Document before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE AS TR Index.
Benchmark selection	The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Investment in collective investment schemes managed by the Manager	The Fund may invest up to 100% of its Net Asset Value in the units and shares of funds managed by or operated by the manager or a member of the Schroders group. Where the Fund invests in funds managed by or operated by the manager or a member of the Schroders group, management charges of such funds (if any) will be paid by the Fund and not rebated.
Maximum permitted level of leverage – gross leverage ratio	180%
Maximum permitted level of leverage – commitment leverage ratio	180%

<sup>1</sup> Q Class Units are available at the Manager's discretion to clients of the Schroder Investment Solutions Model Portfolio Service. Please see section 1 for further information.

Fund risk factors	<p>In addition to the general risks of investing, as set out in <b>Appendix 3</b>, the most relevant risk factors which are applicable to the Fund are:</p> <p>Counterparty risk</p> <p>Currency risk</p> <p>Operational risk</p> <p>Performance risk</p> <p>Derivatives risk</p> <p>Liquidity risk</p> <p>Market risk</p> <p>Multi-Manager risk</p> <p>No capital guarantee risk</p> <p>A full description of each of these risks can be found in <b>Appendix 3</b>.</p>
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#### Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q	£10,000	£10,000	£10,000	0.05%	0.00%

See **Section 5** 'Fees and expenses' above for further detail on the charges and the potential discount to the Schroders Annual Charge for certain Unit classes.

## Appendix 2 Investment and borrowing powers of the Funds

This section sets out the investment and borrowing powers to which the Funds are subject. These powers are set out in the rules of our regulator, the Financial Conduct Authority (FCA) and are summarised below. The first part of this section sets out a summary table of the investment powers the Funds can have under the rules and the second section includes more detail on how the rules work in practice and how they apply to the particular Funds.

### Summary investment and borrowing powers table

The table below sets out the standard limits which are set out in the rules which govern the Funds. In practice, a Fund may have adopted more restrictive limits and where this is the case, these limits will be set out below this table on a case by case basis.

Investment	NURS position
Transferable securities (including investment trusts)	Permitted – a Fund can invest up to 100% of the portfolio in transferable securities but must ensure the investment is made across a number of different securities to ensure the risk is spread.
Collective investment schemes	Permitted – a Fund can invest up to 100% in other funds but can only invest 35% in any single collective investment scheme.
Unapproved collective investment schemes/ unapproved securities	Permitted – a Fund can invest up to 20% in aggregate of the portfolio in investments which are not approved collective investment schemes (including any transferable securities which are not approved securities).
Warrants	Permitted – up to 5% of a Fund can be invested in warrants, or more if the Fund's investment policy allow this.
Deposits	Permitted – up to 20% with any single institution.
Cash and near cash	Permitted – for liquidity and other ancillary purposes.
Derivatives	Permitted – for efficient portfolio management and investment purposes.
Real property	Not permitted – the Funds are not able to invest in physical property (real estate).
Physical Precious Metals (Gold, Silver, Platinum)	The Funds may invest up to 10% in gold only.
Cover	Global basis – a Fund is required to hold property sufficient in value or amount to match the exposure arising from any derivative obligation to which that Fund is committed.
Stock lending and underwriting	The Funds are able to carry out stock lending and underwriting in certain limited circumstances but none of them currently do so. If we did introduce stock lending for any of our Funds, we would let you know in advance.
Borrowing	Permitted – up to 10% on a temporary basis for non-investment reasons.
Spread	<p>Funds are subject to rules which spread their risk across different issuers and investors.</p> <ul style="list-style-type: none"> <li>Government and public securities ('GAPS'): <ul style="list-style-type: none"> <li>Where no more than 35% of a Fund is invested in GAPS issued by one issuer there is no limit on spread;</li> <li>Where more than 35% of a Fund is invested in GAPS issued by one issuer then no more than 30% can be invested in any single issue and the scheme property must include GAPS of at least six different issues</li> </ul> </li> <li>Transferable securities and money market instruments: no more than 10% issued by a single body</li> <li>Deposits: no more than 20% issued by a single body</li> <li>Collective investment schemes: no more than 35% in any single collective investment scheme</li> <li>OTC derivatives: no more than 10% exposure to any one counterparty</li> </ul>

## 1. Transferable securities/money market instruments

Each Fund may invest without limitation, except where otherwise specifically stated, in:

- A. Transferable securities (as defined in the Regulations) admitted to or dealt in on an eligible market as described under the Eligible Markets List below, and
- B. Approved money market instruments (as defined in the Regulations) admitted or dealt in on an eligible market (under the Eligible Markets List below) and approved money market instruments issued or guaranteed by:
  - i. A central, regional or local authority of the UK or EEA State, or if an EEA State is a federal State, one of the members making up the federation, the Bank of England, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which the UK or one or more EEA States belong or
  - ii. An establishment subject to prudential supervision in accordance with criteria defined by UK or European Union law or an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or European Union law; or
  - iii. Issued by a body, any securities of which are dealt in on an eligible market

Each Fund may invest up to 20% of its Net Asset Value in aggregate in transferable securities and/or approved money market instruments that do not fulfil the criteria above.

Eligible markets for the Funds are explained and set out in **Appendix 4**.

## 2. Warrants

A Fund is permitted to invest up to 5% of its scheme property in warrants. It may invest more in warrants if its investment policy allows for this.

**As with derivative use, the outcome of the use of warrants, in terms of the risk profile of the Funds, depends on our underlying investment rationale for the Fund in question. While we do not expect to invest high percentages of a Fund in warrants, if we do use them in such a way, this may lead to a higher volatility in the Unit price of that Fund.**

## 3. Nil/Partly paid

A transferable security or a money market instrument on which any sum is unpaid may be invested in only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the other rules which govern the Funds.

## 4. Collective investment schemes

Each Fund may invest in units of any other collective investment schemes which are:

- A. UCITS schemes (a particular kind of fund established under rules originally set out by the European Union)
- B. Schemes recognised under the Financial Services and Markets Act 2000 that are authorised by supervisory authorities of Guernsey, Jersey or the Isle of Man provided certain requirements are met
- C. Non-UCITS retail schemes as defined in the Regulations provided certain requirements are met
- D. Schemes authorised in an EEA State which are subject to certain conditions; or
- E. Schemes authorised by the competent authority of an OECD member country (other than another EEA State) which has:
  - i. Signed the IOSCO Multilateral Memorandum of Understanding; and
  - ii. Approved the scheme's management company, rules and depositary/custody arrangements provided certain requirements are met

Provided that no more than 35% of the value of the Fund may be invested in other collective investment schemes which are not UCITS schemes but satisfy (B) to (E) above and that, unless otherwise provided for in Appendix 1, the schemes invested in cannot themselves invest more than 15% in other collective investment schemes.

Each Fund may invest up to 100% of its Net Asset Value in units or shares of collective investment schemes

except for:

- Schroder UK Multi-Cap Income Fund

Where no more than 10% of Net Asset Value may be invested.

The second scheme:

- A. Satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
  - i. Is a non-UCITS retail scheme; or
  - ii. Is a scheme recognised under section 264 or 272 of the Financial Services and Markets Act 2000; or
  - iii. Is constituted outside the UK and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
  - iv. Is a scheme not falling within (1) to (5) and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not approved securities) is invested
- B. The second scheme operates on the principle of the prudent spread of risk

- C. The second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes, except in the case of Schroder Diversified Growth Fund, SUTL Cazenove GBP Balanced Fund, SUTL Cazenove GBP Cautious Fund, SUTL Cazenove GBP Equity Focus Fund, SUTL Cazenove GBP Growth Fund, SUTL Cazenove Sustainable Growth Fund and SUTL Cazenove Sustainable Balanced Fund where that second scheme is the Schroder UK Real Estate Fund, and those collective investment schemes are non-publicly owned special purpose vehicles (SPVs) for holding direct real estate (unless COLL 5.6.10AR applies). These Funds may individually invest up to 5% of their assets in the Schroder UK Real Estate Fund
- D. The participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:
- related to the net value of the property to which the units relate; and
  - determined in accordance with the scheme
- E. Where the second scheme is an umbrella, the provisions in B) to D) and COLL 5.6.7R apply to each sub-fund as if it were a separate scheme

The maximum level of management fee that may be charged to the Fund for these underlying Funds is 3% of its Net Asset Value of the relevant Fund. The maximum level of management fee that the Fund may charge is the same as the current management charge set out in

#### **Appendix 1.**

Each Fund may invest in units or shares of a fund managed or operated by us or one of our associates.

## **5. Deposits**

In the case of:

- Schroder Alternative Portfolio
- Schroder Countrywide Managed Balanced Fund
- Schroder Diversified Growth Fund
- Schroder Monthly Income Fund
- Schroder Scottish Friendly Managed Fund
- Schroder Sustainable Future Multi-Asset Fund
- SUTL Cazenove GBP Balanced Fund
- SUTL Cazenove GBP Cautious Fund
- SUTL Cazenove GBP Equity Focus Fund
- SUTL Cazenove GBP Growth Fund
- SUTL Cazenove Sustainable Balanced Fund
- SUTL Cazenove Sustainable Growth Fund
- Schroder MPS Emerging Markets Equity Portfolio
- Schroder MPS Europe ex UK Equity Portfolio
- Schroder MPS Japan Equity Portfolio

- Schroder MPS North America Equity Portfolio
- Schroder MPS UK Equity Portfolio

Each Fund may invest in deposits only with an approved bank and which are repayable on demand or has the right to withdraw and maturing in no more than 12 months.

Cash and near cash may only be held to assist in the redemption of Units, the efficient management of the Fund or purposes regarded as ancillary to the Fund.

In the case of:

- Schroder Income Portfolio
- Schroder MM Diversity Fund
- Schroder UK Multi-Cap Income Fund

Each Fund may invest no more than 20% of its Net Asset Value in deposits with a single body as defined in the Regulations, only with an approved bank and which are repayable on demand or has the right to withdraw and maturing in no more than 12 months.

Cash and near cash may only be held to assist in the redemption of Units, the efficient management of the Fund or purposes regarded as ancillary to the Fund. Where the manager considers that a defensive investment strategy is appropriate, cash and near cash may comprise up to 30% of the Net Asset Value of the Fund (subject to the applicable deposit restrictions set out above). This range may be exceeded in exceptional circumstances.

## **6. Derivatives and forwards**

We have the power to buy and sell derivatives (including, but not limited to, futures, swaps, options and contracts for difference) and forwards both on exchange and off exchange, in all Funds as set out in the section 'Derivatives and Forwards Use' below, provided they are permitted. A derivative is permitted where the underlying asset is a transferable security, money market instrument, deposit, derivative or collective investment scheme (all only in so far as the Regulations permit the Funds to invest in these asset classes directly). A derivative is also permitted where the underlying assets are financial indices, interest rates, foreign exchange rates or currencies. Any transaction entered into on-exchange must be effected on or under the rules of an eligible derivatives market. Off-exchange derivatives and forwards must only be entered into with approved counterparties, on approved terms, and must be capable of reliable valuation and subject to verifiable valuation (all as defined in and on the terms detailed in the Regulations).

We will ensure that any transaction in derivatives and forwards is covered in accordance with the Regulations. This includes ensuring at all times that each Fund has enough assets to adequately cover the derivative positions. In assessing the adequacy of the cover for derivative positions we will take into account the value of the underlying assets, counterparty risk, the time taken to liquidate any derivative position and reasonably foreseeable market movement.

When using derivatives, we use a risk management process that enables us to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated either by means of the commitment approach or the Value-at-Risk (VaR) approach. Unless specified otherwise in **Appendix 1**, the global exposure relating to financial derivative instruments will be calculated using a commitment approach. A statement will be made in **Appendix 1** to indicate which Funds apply a VaR approach to calculate their global exposure.

### Commitment approach

The commitment approach allows for netting and hedging and the calculation involves converting the derivatives into an equivalent position in the underlying asset. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

### VaR approach

VaR is a means of measuring the potential loss to a Fund due to market risk. Historical data is used in the calculation of VaR. The period used for this purpose is the observation period.

VaR reports will be produced and monitored on a daily basis based on the following criteria:

- 1 month holding period
- 99% unilateral confidence interval
- At least a one year effective historical observation period (250 days) unless market conditions require a shorter observation period; and
- Parameters used in the model are updated at least quarterly

Stress testing will also be applied at a minimum of once per month.

VaR limits are set using an absolute or relative approach.

#### A. Absolute VaR approach

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark, for example with absolute return Funds. Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Fund. The absolute VaR limit of a Fund has to be set at or below 20% of its Net Asset Value. This limit is based upon a 1 month holding period and a 99% unilateral confidence interval.

#### A. Relative VaR approach

The relative VaR approach is used for Funds where a VaR benchmark reflecting the investment strategy which the Fund is pursuing is defined. Under the relative VaR approach a limit is set as a multiple of the VaR of a benchmark or reference portfolio. The relative VaR limit of

a Fund has to be set at or below twice the VaR of the Fund's VaR benchmark. Information on the specific VaR benchmark used is disclosed in **Appendix 1**.

Upon request, we will provide further details of the quantitative limits and methods used in applying the risk management of each Fund as well as any recent developments in the risk and yields of the main categories of investment of each Fund.

### Expected level of leverage

Funds quantifying global exposure using a VaR approach disclose their expected level of leverage.

The expected level of leverage is an indicator and not a regulatory limit. The Fund's levels of leverage may be higher than this expected level as long as the Fund remains in line with its risk profile and complies with its VaR limit.

The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.

The level of leverage is a measure of (i) the derivative usage and (ii) the reinvestment of collateral in relation to efficient portfolio management transactions. It does not take into account other physical assets directly held in the portfolio of the relevant Funds. It also does not represent the level of potential capital losses that a Fund may incur. The level of leverage is calculated as (i) the sum of notionals of all financial derivative contracts entered into by the Fund expressed as a percentage of the Fund's Net Asset Value and (ii) any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

This methodology does not:

- Make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund
- Allow the netting of derivative positions. As a result, derivative roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase or only cause a moderate increase of the overall Fund risk
- Take into account the derivative underlying assets' volatility or make a distinction between short-dated and long-dated assets. As a result, a Fund that exhibits a high level of leverage is not necessarily riskier than a Fund that exhibits a low level of leverage

### Derivatives and forwards use

#### Efficient portfolio management

Efficient portfolio management is a term which describes the way in which our fund managers use derivatives to reduce costs or risk in a Fund or to create income or growth. Efficient portfolio management is intended to achieve one of these goals without creating any further risks for the Fund.



Derivatives and forwards may be used for the efficient portfolio management of all Funds. The aim of any derivative or forward used for such reasons is to assist us in meeting the investment objectives of each Fund as set out in **Appendix 1** by:

- Reducing risk; and/or
- Reducing cost; and/or
- Generating additional income or capital for each Fund

Where transactions in derivatives or forward transactions are used for the account of the authorised Fund in accordance with any of the provisions of this section, nothing in this section prevents the trustee at our request, from:

- A. Lending, depositing, pledging or charging scheme property for margin requirements
- B. Transferring scheme property under the terms of an agreement in relation to margin requirements, provided that we reasonably consider that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Unitholders

The aim of reducing risks or costs will allow us to enter into exposures on permissible assets or currencies using derivatives or forwards as an alternative to selling or purchasing underlying assets or currencies. These exposures may continue for as long as we consider that the use of derivatives continues to meet the original aim.

The aim of generating additional income allows us to write options on existing assets where we consider the transaction will result in the Fund deriving a benefit, even if the benefit obtained results in the surrendering the chance of greater benefit in the future.

The aim of generating additional capital allows us to take advantage of any pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights relating to assets the same as, or equivalent to which the Fund holds or may hold.

The following types of risks are relevant in relation to the efficient portfolio management of the Funds:

- **Market risk** – which is the risk of losses due to adverse market movements in the price of the assets held by the Fund or rates or changes in the anticipated or calculated volatility of these movements (volatility risk)
- **Interest rate risk** – which is the risk that changes to an interest rate will have an adverse impact on the market value of a portfolio, and is a main risk impacting the price of investment grade bonds
- **Credit risk** – which is the risk that an issuer will default on the payment of coupons and/or redemptions
- **Foreign exchange (FX) risk** – which is the risk that the Fund value may be impacted by changes in exchange rates, particularly where an asset held in the Fund is in a currency other than the Base Currency of the Fund

The following techniques are included in the efficient portfolio management of the Funds:

- **Hedging** – where we may manage market and FX risk related to assets held in a Fund by using derivatives to reduce any perceived loss. In relation to FX hedging this includes the use of cross currency hedging techniques
- **Cash flow management** – where we may manage market risk following cash flows into the Fund by using derivatives to gain an exposure to an individual asset or obtain the desired exposure to an index. Thereafter we may retain the position whilst it remains appropriate to manage subsequent inflows and outflows of cash efficiently
- **Asset allocation** – where we may manage market risk by using derivatives to achieve a desired exposure to an index, basket of shares or bonds, or between different markets. The derivatives positions will be closed out where we have achieved the desired exposure by the buying or selling of the underlying stock, but there is no fixed time limit within which this closing out will take place
- **Fixed income management** – where we will use derivatives to manage credit risk and interest rate risk in relation to bond funds. This technique includes the management of a Fund's duration (duration being the term used to measure the sensitivity of a bond's price to interest rate changes which is dependent on the bond's maturity profile and coupon pay-out schedule)
- **Buying and selling protection** – where we may:
 

Sell protection (i.e. gain long credit exposure) in credit default swaps where the objectives of the Fund can be achieved at lower risk and/or cost than transacting the underlying buy protection (i.e. gain short credit exposure) in index credit default swaps for hedging purposes, Buy protection (i.e. gain short credit exposure) in single name credit default swaps to hedge an existing long credit position or to create an outright short credit position that is covered by liquid assets within the Fund.
- **Overwriting/Yield enhancement** – where we will look to generate additional income in a Fund by writing options on assets held, provided this is consistent with a Fund's investment objective. Such techniques are in addition to, and separate from any income derived from stock lending activities permitted by the section entitled 'Stock lending and repurchase transactions' below.

### Using derivatives for specific investment purposes

Using derivatives for investment purposes is different from using derivatives for efficient portfolio management. When we use derivatives for investment purposes we are looking to create investment gains for the Fund.

In the case of those Funds who have the power to (as set out in **Appendix 1**) derivatives may be used for specific investment purposes in accordance with the rules summarised in the section 'Derivatives and Forwards' above in addition to being used for efficient management.

**The aim of any derivative or forward used for specific investment purposes is not to materially alter the risk profile of a Fund, rather their use is to assist us in meeting the investment objectives of each Fund as set out in Appendix 1.**

### Total Return Swaps

Where specified in the investment policy, a Fund may enter into Total Return Swaps (TRS) with an approved bank (as defined in the Regulations). TRS entered into by a Fund may be in the form of funded and/or unfunded swaps.

An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement.

All revenue arising from TRS, net of direct and indirect operational costs and fees, will be returned to each Fund. The investment policy of the Fund will specify the underlying strategy and the composition of the investment portfolio or index. Where the Fund uses TRS, the underlying consists of instruments in which the Fund may invest according to its investment objective and policy.

New counterparties are approved after a review that covers the legal status of the proposed counterparty, an assessment of the operational risk and credit risk associated with that counterparty and any other material considerations and it must have a minimum required credit rating. Counterparties are reviewed yearly but could be looked at more often if there is negative news, adverse market data or changes in the ratings or outlook for a counterparty.

The counterparties of these transactions will be highly rated financial institutions specialising in these types of transactions and approved by us. Counterparties will normally carry a minimum BBB+/Baa2 rating from at least one of Fitch, Moody's and Standard & Poor's but this may not be the case in all markets or jurisdictions. The counterparties will be entities with legal personality, typically located in member countries of the Organisation for Economic Co-operation and Development and generally limited to the major financial institutions in leading economies. They will be subject to ongoing supervision by a public authority and be financially sound. A counterparty may be one of our associates which may give rise to a conflict of interest.

A TRS is a type of financial derivative instrument between two parties in which each party agrees to make a series of payments to the other at regular scheduled dates, with at least one set of payments determined by the return on an agreed underlying reference asset and which include, in addition, any income generated on the reference asset (such as dividends and/or bonus shares). Long and short positions gained through index, commodity, bond and equity TRS may increase exposure to credit-related risks. There are certain risks involved in using total return swaps. Please see in particular the following risk factors in **Appendix 3: 'Counterparty Risk' and 'Derivative risk'.**

### Valuation of OTC derivatives

For the purposes of this section we must: establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. Where the arrangements and procedures referred to in this section involve the performance of certain activities by third parties, we must comply with the requirements in the Regulations. The arrangements and procedures referred to this section must be: adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

## 7. Spread limits

- A. For the purposes of this section, companies included in the same group for the purposes of consolidated accounts or, in the same group in accordance with international accounting standards, are regarded as a single body.
- B. Not more than 20% in value of the property of each Fund is to consist of deposits with a single body.
- C. Not more than 10% in value of the property of each Fund is to consist of transferable securities (as defined in the Regulations) or money market instruments issued by any single body.
- D. The limit of 10% in (C) is raised to 25% in value of the property of each Fund in respect of covered bonds.
- E. In applying (C) and (D), certificates representing certain securities (as defined in the Regulations) are to be treated as equivalent to the underlying security.
- F. The combined exposure to any one counterparty in OTC derivative transactions, repurchase transactions and stock lending transactions, must not exceed 10% in value of the property of each Fund.
- G. Not more than 10% in value of the property of each Fund is to consist of transferable securities and money-market instruments issued by the same group (as referred to in (A) above).
- H. Not more than 35% in value of the Fund is to consist of the Units of any one collective investment scheme (as defined in the Regulations).
- I. In applying the limits in (F) above, the exposure in respect of OTC derivative transactions, repurchase transactions and stock lending transactions, may be reduced to the extent that collateral is held in respect of it if the collateral meets the relevant conditions set out in the Regulations.
- J. Not more than 10% in value of the scheme property is to consist of derivatives where the underlying transaction is gold.

The Schoder Income Portfolio, Schroder MM Diversity Fund and Schroder UK Multi-Cap Income Fund will not invest directly in immovable property.

These limits do not apply to government and public securities, as to which see below.

## 8. Government and public securities

In respect of the:

- Schroder Countrywide Managed Balanced Fund
- Schroder Active Asset Allocation Portfolio
- Schroder Income Portfolio
- Schroder MM Diversity Fund
- Schroder Scottish Friendly Managed Fund
- Schroder Sustainable Future Multi-Asset Fund
- Schroder Worldwide Corporate Bond Portfolio
- Schroder UK Multi-Cap Income Fund
- SUTL Cazenove GBP Balanced Fund
- SUTL Cazenove GBP Cautious Fund
- SUTL Cazenove GBP Equity Focus Fund
- SUTL Cazenove GBP Growth Fund
- SUTL Cazenove Sustainable Balanced Fund
- SUTL Cazenove Sustainable Growth Fund

Each Fund may invest without limitation in transferable securities that are defined by the FCA as government and public securities (GAPS). At any time, where no more than 35% of such Funds value is invested in GAPS issued by any one issuer, there is no limit to the amount which may be invested in GAPS of any one issue or issuer.

When any of the aforementioned Funds invests more than 35% of its value we must, before any such investment is made consult with the trustee, and as a result:

- Have considered if the issuer of the GAPS is one which is appropriate in accordance with the investment objectives of each Fund
- Ensure that no more than 30% in value of each Fund consists of GAPS of any one issue; and
- Ensure that each Fund includes GAPS issued by that or another issuer of at least six different issues.

More than 35% of the property of each of the aforementioned Funds may be invested in GAPS issued by or on behalf of or guaranteed by the Government of the UK (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States.

In relation to such securities: issue, issued and issuer include guarantee, guaranteed and guarantor; and an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

In applying the 20% limit with respect to a single body (as specified in the section 'Spread limits' in **paragraph 7** above), government and public securities and transferable securities issued by that body shall be taken into account.

## 9. Borrowing

The trustee may, on our instruction and subject to Regulations, borrow money from an eligible institution or an approved bank for the use of each Fund on terms that the borrowing is to be repayable out of the property of the Fund.

Borrowing must be on a temporary basis, must not be persistent and in any event must not exceed three months without the prior consent of the trustee which may be given only on such conditions as appear appropriate to the trustee to ensure that the borrowing does not cease to be on a temporary basis. We must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the property of each Fund.

These borrowing restrictions do not apply to 'back to back' borrowing for currency hedging purposes, i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

## 10. Stock lending and repurchase transactions

Each Fund may enter into repurchase transactions and stock lending transactions. Should any Fund use such techniques and instruments defined under items 'Securities and Cash Lending' and 'Repurchase Agreements' in the future, we will comply with the applicable regulations and all the information required by the relevant regulation will be available upon request at our registered office. The prospectus will be updated prior to the use of any such techniques and instruments.

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender.

There are certain risks involved in entering into repurchase transactions and stock lending transactions. Please see in particular the following risk factors in **Appendix 3: 'Counterparty risk', 'Derivatives risk' and 'Stock lending and repurchase transactions risk'**. These risks may expose Unitholders to an increased risk of loss.

All the revenues arising from repurchase transactions and stock lending transactions shall be returned to the relevant Fund following the deduction of any direct and

indirect operational costs and fees arising. Such direct and indirect operational costs and fees, which shall not include hidden revenue, shall include fees and expenses payable to counterparties and/or stock lending agents and will be at normal commercial rates (including any applicable VAT).

To the extent permitted by and within the limits prescribed by the Regulations relating to the use of financial techniques and instruments (as may be amended, supplemented or replaced from time to time) and the ESMA Guidelines on ETFs and other UCITS issues (to the extent applicable), each Fund may enter as buyer or seller into repurchase transactions and engage in securities lending transactions for the purpose of generating additional capital or income or for reducing its costs or risks.

In respect of repurchase transactions, the Fund will, on a daily basis, receive from or post to, its counterparty collateral of a type and market value sufficient to satisfy the requirements of the relevant rules.

In respect of securities loans, each Fund will ensure that on a daily basis it receives or posts to its counterparty collateral of at least the market value of the securities lent. Such collateral must be in the form of cash or securities that satisfy the requirements of the Regulations.

A Fund must have the right at any time to require the return of any security it has lent out or to terminate any securities lending agreement it has entered into.

A Fund that enters into a repurchase transaction as buyer shall ensure that it is able to recall the full amount of cash or to terminate the reverse repurchase transaction at any time.

A Fund that enters into a repurchase transaction as seller shall ensure that it is able to recall any securities sold under the transaction or to terminate the transaction at any time.

Fixed-term repurchase transactions that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Each Fund shall ensure that the level of its exposure to repurchase transactions are such that it is able to comply at all times with its redemption obligations.

## **11. General power to accept or underwrite placings**

Any power in the Regulations to invest in transferable securities may be used by us for the purpose of entering into any agreement or understanding which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued, subscribed for or acquired for the account of a Fund.

We may only engage in such an agreement or understanding in relation to securities which the relevant Fund could otherwise invest in directly in accordance with the investment objective and policies of the Fund and subject to the limits on investment set out in **Appendix 2**.

This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

The exposure of a Fund to agreements and understandings as set out above, on any Business Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any of the investment limits in the Regulations or as otherwise set out in this section.

## **12. Our policy on collateral and management of collateral**

Where a Fund enters into OTC financial derivative transactions, stock lending or repurchase transactions (whether as buyer or seller), all collateral used to reduce counterparty risk exposure should comply with the following criteria:

- A. Liquidity: Any collateral received other than cash shall be liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation
- B. Valuation: Collateral received shall be valued in accordance with the rules described under the Appendix 5, 'Determination of Net Asset Value' on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place
- C. Issuer credit quality: The collateral received shall be of a high credit quality
- D. Correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty
- E. Diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers
- F. Immediately available: Collateral received must be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate haircuts which will be determined for each asset class based on the haircut policy we adopt.

In accordance with the collateral policy of the Funds, and subject to the above criteria, collateral received by the Funds must be in the form of one of or more of the following:

- A. Cash
- B. A certificate of deposit
- C. A letter of credit
- D. A readily realisable security
- E. Commercial paper with no embedded derivative content; or



#### F. A money-market Fund

Without limiting the above, it is anticipated that collateral received by the Funds shall predominantly be in cash and government bonds.

Where there is a title transfer, the collateral received shall be held by the trustee, or its agent. For other types of collateral arrangement (i.e. where there is no title transfer), the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Non-cash collateral received cannot be sold, re-invested or pledged.

Cash collateral shall only be:

- Placed on deposit with entities as prescribed in section 5 'Deposits' above
- Invested in high-quality government bonds;
- Used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis
- A money-market Fund

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

While re-invested cash is required to be diversified and may only be re-invested in the manner set out above, there remains a risk that the value of the asset invested in using cash collateral received by a Fund falls below the amount required to be returned to the cash collateral provider. Any shortfall will be borne by the Fund causing loss to the Fund and consequently Unitholders.

### 13. Haircut policy

On behalf of each Fund, we have established a haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the market value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut therefore provides a 'risk cushion'. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is our intention in respect of the Funds that any collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

Eligible Collateral	Remaining Maturity	Haircut
Cash	n/a	0%
	One year or under	2%
	More than one year up to and including five years	3%
Government bonds	More than five years up to and including ten years	5%
	More than ten years up to and including thirty years	7%
	More than thirty years up to and including forty years	10%
	More than forty years up to and including fifty years	13%

### 14. Risk Management

We use a risk management process, enabling us to monitor and measure as frequently as appropriate the risk of each Fund's position and their contribution to the overall risk profile of the Fund.

#### Reporting

The following details of the risk management process must be regularly notified by us to the FCA and at least on an annual basis:

- A. A true and fair view of the types of derivatives and forward transactions to be used within a Fund together with their underlying risks and any relevant quantitative limits; and
- B. The methods for estimating risks involved in derivative and forward transactions

### 15. Investments in the China Market

- A. A Fund will not hold more than 5% of its assets in each of: (i) transferable securities traded on the CIBM (including via Bond Connect) or any other Chinese Regulated Market or (ii) China A-Shares and / or China B-Shares, directly or indirectly through Shanghai-Hong Kong Stock Connect and ShenzhenHong Kong Stock Connect and shares listed on the STAR Board and the ChiNext unless disclosed in its "investment policy".

## Appendix 3 Risks of Investment

**All investments involve risk and this section explains the main risks that may be relevant to an investment in the Funds.**

**As well as the general risks of investing described below, the risks applying to a Fund will depend on the types of assets that the Fund invests in, as described in its investment objective and policy. The most relevant risks for each Fund are listed in the 'Fund Characteristics' section in Appendix 1 with more details of each risk described in this Appendix 3.**

**The following statements are intended to summarise the main risks but are not exhaustive nor do they offer advice on the suitability of investments.**

### General risks of investing

The value of investments and the income generated by them may go down as well as up and Unitholders may not get back the amount originally invested. Investment objectives express an intended result but there is no guarantee that such a result will be achieved and no form of capital protection applies.

Unitholders and potential Unitholders should consider all the risks before investing and should seek advice from their financial advisers if they have any questions in relation to the risks of investment.

Past performance is not a guide to future performance and Units should be regarded as a medium to long-term investment. 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 or even impossible to achieve. Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the Fund. Assets (including cash) of the Funds are given to the trustee (which is a third party) to be held in safekeeping. The Funds' assets are recorded in the records of the trustee separately from assets of the trustee and are identified in the trustee's books as belonging to the relevant Fund. Even with this separation of assets, there is a risk that if the trustee suffers financial difficulties it may not be able to return the Funds' assets quickly or at all. Cash belonging to the Funds is mingled with assets belonging to other clients of the trustee (but not the trustee's own money) and so there is more risk that the Funds may not get their money back if the trustee becomes insolvent. The trustee does not hold all the assets of each Fund itself but uses a network of custodians and sub-custodians. Such custodians and sub-custodians are not all part of the same group of companies as the trustee. Unitholders may therefore be exposed to the risk of insolvency of the sub-custodians in the same manner as they are to the risk of insolvency of the trustee. A Fund may invest in markets where systems for holding and dealing in assets are not fully developed, as described further below under 'Emerging and Less Developed Markets Securities Risk'. The trustee might not be held responsible for losses where the assets of the Funds are traded in such markets.

### ABS and MBS risk

Mortgage backed securities (MBS) are a type of security backed by a pool of mortgages. Asset backed securities (ABS) are a type of security backed by debts other than mortgages (such as credit card agreements). In addition to the general risks associated with investing in debt instruments, described above, investment in ABS or MBS carries a prepayment risk. This means that the borrowers of the underlying debts may make larger repayments than expected which means a lower amount of interest is payable on the debt and, therefore, a lower interest payment is received by the ABS or MBS.

Investments in MBS composed of subprime mortgages may be subject to a higher degree of credit risk and liquidity risk (including valuation) as described above.

There may be limited action that the issuer of an ABS or MBS can take if the borrowers of the underlying debts do not repay them. The values of these investments are extremely sensitive to changes in interest rates and in the rate of repayments on the underlying debts. Interest portions (blocks of expected interest payments) tend to decrease in value if interest rates decline and rates of repayment (including prepayment) on the underlying debts increase. It is possible that a Fund may lose the entire amount of its investment in an interest portion due to a decrease in interest rates. It is possible that a Fund may lose the entire amount of its investment in an interest portion.

Due to a decrease in interest rates, principal portions (blocks of expected repayment of capital) tend to decrease in value if interest rates rise and rates of repayment decrease. Moreover, the market for interest portions and principal portions may be volatile and limited, which may make them difficult for a Fund to buy or sell.

The Fund may gain investment exposure to MBS and ABS by entering into agreements with financial institutions to buy those investments at a fixed price at a future date. The Fund may or may not take delivery of the investments at the end of such an agreement, but will nonetheless be exposed to changes in the value of the underlying investments during the term of the agreement.

### Capital erosion risk

As a result of fees being charged to capital, the distributable income of the Fund may be higher, but there is the potential that performance or capital value may be eroded.

### Capital risk/distribution policy risk

As the Fund intends to pay dividends regardless of its performance, a dividend may represent a return of part of the amount you invested.

### 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.



## Contingent convertible bonds risk

The Fund may invest in contingent convertible bonds. A reduction in the financial strength of the issuer may result in losses to the Fund.

## Counterparty risk

A Fund conducts transactions through or with brokers, clearing houses, market counterparties and other agents. A Fund will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes which would result in the Fund suffering a loss. A Fund that invests in deposits or money market instruments may lose value if the deposit institution or the issuer of a money market instrument goes out of business.

## Credit risk

Investments may be adversely affected if any of the institutions with which money is deposited suffer insolvency or other financial difficulties (default). Credit risk might also be relevant when there is a concern about a party's ability to pay back interest or principal on a bond or other instrument. The risk of default is usually greatest with debt instruments (such as bonds) that are classed as sub-investment grade.

## Currency risk

Where the currency of a Fund varies from the Unitholder's home currency, or where the currency of a Fund varies from the currencies of the markets in which the Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to Unitholders greater than the usual risks of investment. In particular, the Fund may lose value as a result of movements in foreign exchange rates.

## Currency risk – hedged unit classes risk

Hedged Unit classes aim to reduce the effect of exchange rate fluctuations between the base currency and the relevant Unit class and the currency of the assets in the portfolio.

The performance of a hedged Unit class may differ from other classes of the Fund. This is because the return on unhedged classes is based on both the performance of the Fund's investments and the performance of the Portfolio Currency relative to GBP whereas the return on a hedged Unit class is based only on the performance of the Fund's investments, in the event that the foreign currency exposure is successfully hedged.

Unitholders should be aware that hedging activity can only reduce, not eliminate, the effect of movements in exchange rates in a Fund. There is no guarantee that hedged Unit classes will not suffer adverse effects due to exchange rate fluctuations. In particular, Unitholders invested in hedged Unit classes should be aware that when Units in a Fund are bought and/or sold, or Units are switched from a hedged Unit class to another Unit class in the same Fund, the necessary currency hedging adjustments will be carried out after the Fund's valuation point. This may lead to differences between the valuation of the Fund's portfolio and FX exchange rates used to make the hedging adjustments. The volatility of the underlying asset class may magnify the impact of any

imperfect hedging, causing the currency hedged Unit class to be over or under hedged. This risk will be borne by Unitholders of the relevant hedged Unit class.

Transaction costs arising from the hedging programme will be borne by the relevant hedged Unit class and this may negatively impact the class returns. Such transaction costs will also increase the more frequently the forward currency contracts used for the purposes of hedging are rolled.

As it is not possible to legally segregate Unit classes' liabilities from those of other Unit classes in the same Fund, there is a risk that, in certain limited circumstances, the hedging transactions undertaken in relation to a hedged Unit class could result in liabilities which might affect the Net Asset Value of the other Unit classes of the same Fund.

## Derivatives risk

A derivative is a transaction under which the obligations of one or both of the parties are linked in some way to another asset or index. Although a derivative references the relevant asset or index, it is a separate transaction that has its own value. A Fund's use of derivatives involves risks that are different to, and possibly greater than, the risks associated with investing directly in the relevant asset or index.

The use of derivatives by a Fund may increase the volatility of the price of Units of that Fund, which may result in higher losses for the Unitholder.

A Fund may use derivatives to hedge particular risks. Hedging means buying a derivative that will gain value by a similar amount to the loss suffered by another investment, therefore reducing the risk associated with that investment loss. However, if that derivative incurs a loss in value, the other investment may gain in value instead. As such, although derivatives used for hedging can mitigate potential investment losses, they can also reduce or eliminate investment gains.

Where a derivative transaction is executed over-the-counter (OTC), it is also subject to the risk that the counterparty to the transaction will not carry out its contractual obligations. If a derivative is executed on an exchange or via a central clearing counterparty (CCP), the main credit risk is the creditworthiness of the exchange or CCP itself or the related clearing broker. If the derivative is embedded in a note (such as a credit-linked note or an equity-linked note) then the Fund is subject to the risk that the note issuer does not carry out its contractual obligations under the note. Where a counterparty, exchange, CCP, broker or issuer does not carry out its obligations under a derivative (whether due to its insolvency or otherwise), the Fund may suffer a significant loss.

A Fund may be required to deliver collateral in respect of its derivatives positions. Collateral is one or more valuable assets (such as cash) that a Fund provides to back up its commitment to perform its obligations under its derivatives contracts. The amount of collateral that a Fund is required to deliver may be larger than its exposure to relevant the counterparty, exchange or CCP. The delivery of excess collateral (sometimes referred to as initial margin) increases a Fund's credit risk in respect of that

counterparty, exchange or CCP. Where markets are particularly volatile, a Fund may be required to deliver a significant amount of collateral to a counterparty, exchange or CCP in a short period of time. As the types of asset that a Fund is permitted to deliver as collateral may be limited and are generally restricted to liquid assets (such as cash), a Fund may need to sell non-liquid assets in order to satisfy the collateral demand. The unexpected sale of non-liquid assets may result in a loss for the relevant Fund if those assets have to be sold at a discount.

The derivatives market is heavily regulated. Future regulations may increase the costs to a Fund of using derivatives or prevent a Fund from accessing the derivatives market, which may prevent a Fund from implementing its investment strategy.

Further detail on the use of derivatives, and the risks associated with this use, is set out in **Appendix 2 Section 6**, 'Derivatives and forwards'.

### Emerging markets and frontier risk

Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries as those markets are undergoing rapid growth and legal and regulatory change.

These risks, which can have a negative impact on the Fund's value, include:

**Market volatility and uncertainty risk:** these markets may be less stable than more developed markets meaning there may be periods of relative illiquidity; significant price volatility; fluctuating or devaluing currencies or the inability to exchange local currency for Sterling; rapid fluctuations in inflation rates; or political, social or economic events. In addition, there may also be changes to regulation or legislation including in relation to applicable taxes, restrictions on foreign investment; and possible return of investments.

**Trading and settlement risk:** securities in these markets may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. This means settlement may be delayed and cash or securities belonging to the Fund may be at risk because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Fund and compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

**Custody risk:** investments in certain emerging and less developed countries, such as Russia and Ukraine, are currently subject to certain heightened risks with regard to the ownership and custody of securities. In these countries, shareholdings are evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the custodian). As a result of this

system and the lack of effective state regulation and enforcement, the Fund could lose its registration and ownership of the securities through fraud, negligence or error. Debt instruments also have an increased custodial risk associated with them as such securities may, in these markets, be held in custody with institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default. It should be taken into consideration that when investing in government debt of emerging or less developed countries local regulations may stipulate that investors maintain a cash account directly with the sub-custodian. Such balance represents a debt due from the sub-custodian to the investors and the custodian shall not be liable for this balance.

**Supervision and regulation risk:** these markets may have less governmental supervision and regulation; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

### High yield bond risk

Debt instruments are given a rating by credit agencies reflecting their level of risk. The lower rating of such securities instruments reflect the greater risk that negative changes in the financial condition of the issuer, or rising interest rates, may make it harder for the issuer to make payments to holders of the instruments. Generally, lower rated instruments pay a higher income than higher rated instruments to compensate investors for the higher risk. As such, a Fund that invests in lower rated instruments has a greater credit risk compared to a Fund that invests in higher rated instruments.

### Interest rate risk

A Fund's assets can be impacted by changes to interest rates. Changes to interest rates are particularly relevant where a Fund has exposure to debt instruments (such as bonds). Declining interest rates generally increase the value of debt instruments, and rising interest rates generally reduce the value of debt instruments.

### 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.

Liquidity risk exists when particular investments are difficult to buy or sell. A Fund's investment in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Illiquid securities may be highly volatile and difficult to value.

### Multi-manager risk

The Fund allocates capital to multiple strategies managed by separate portfolio managers who will not coordinate investment decisions, which may result in either concentrated or offsetting risk exposures.

### Private assets risk

Investments in private assets carry greater counterparty and liquidity risk. As there is no active market for private assets, it could prove difficult to sell and objectively value the Fund's assets. The Fund may have to lower the selling price, sell other investments or forego more appealing investment opportunities. The actual value may not be recognised until the assets are sold.

### Real estate and property risk

The market for real estate may be more volatile than for other securities. For example, in certain market conditions it may not be possible to accurately determine the market value for certain properties, or the ability to buy and sell this type of asset may be limited and this could have an impact on the value of the property. In addition, the value of real estate can be impacted negatively by factors such as environmental risks, changes to rental income, increases in interest rates and increases in property taxes and expenses. Although the Fund cannot invest directly in real estate, these risks will exist where the Fund invests in securities of companies engaged in the real estate industry and could have an adverse impact on the value of the Fund.

### Sustainable investing risk

The Fund applies sustainability criteria in its selection of investments. This investment focus may limit the Fund's exposure to companies, industries or sectors and the Fund may forego investment opportunities that do not align with its sustainability criteria chosen by the investment manager. As investors may differ in their views of what constitutes sustainability, the Fund may invest in companies that do not reflect the values of any particular investor.

### Stock Connect risk

The Fund may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the Stock Connect) subject to any applicable regulatory limits. The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes are securities trading and clearing linked programmes developed by Hong Kong Exchanges and Clearing Limited (HKEx), the Hong Kong Securities Clearing Company Limited (HKSCC), Shanghai Stock Exchange or Shenzhen Stock Exchange, and China Securities Depository and Clearing Corporation Limited (ChinaClear) with an aim to achieve mutual stock market access between mainland China and Hong Kong. These programmes allow foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchange listed China A-Shares through their Hong Kong based brokers.

China A-Shares are shares in companies based in China that are traded on Chinese stock exchanges and are generally only available for domestic Chinese investors. To the extent the Fund's investments in China are dealt via Stock Connect, such dealing might be subject to the following risk factors:

**General risk:** The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Fund.

**Clearing and settlement risk:** The HKSCC and China Clear have established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

**Legal/beneficial ownership:** The Fund can only invest in Stock Connect if the China A-Shares purchased are held in the name of HKSCC (and not in the name of the Fund). In the event of any insolvency event of ChinaClear the Chinese courts may not recognise that the ultimate owner of the China A-Shares is the Fund. In the event ChinaClear defaults, HKSCC will act in accordance with its instructions to take action against issuers of securities held through China Connect. However, as would be the case when investing in China A-shares through arrangements with banks in China, recourse in the event of ChinaClear's default may be limited. Accordingly, in the event of a default by ChinaClear, the Fund may not fully recover their losses or their Stock Connect securities and the process of recovery could also be delayed.

**Operational risk:** The HKSCC provides clearing, settlement, nominee functions and other related services of the trades executed by Hong Kong market participants. PRC regulations which include certain restrictions on selling and buying will apply to all market participants. In the case of sale, pre-delivery of shares are required to the broker, increasing counterparty risk. Because of such requirements, the Fund may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

**Quota limitations:** The program is subject to quota limitations which may restrict the Fund ability to invest in China A-Shares through the program on a timely basis.

**Investor compensation:** The Fund will not benefit from local investor compensation schemes.

**Operating times:** Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but the Fund cannot carry out any China A-Shares trading. The Fund may be subject to risks of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result.

**Tax:** Unitholders should be aware that changes in mainland China's taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments in the Fund. In particular, the taxation position of foreign investors holding Chinese shares has historically been uncertain.

## Appendix 4 Eligibility Markets List

This section sets out the eligible markets on which the Funds can invest.

All Funds can invest in transferable securities through eligible markets, as defined by the Regulations.

These include (but are not limited to) markets on which transferable securities are admitted to official listing established in the UK and member states of the European Economic Area (including member states of the European Union). Each Fund may also deal in the securities and derivatives markets listed below. Each Fund may invest up to 20% of its assets in transferable securities which are not classed as approved securities because they are not listed in an eligible market.

Regional	
Europe	Those markets established in a member state on which transferable securities admitted to official listing in a member state are dealt in or traded.
Country	
Australia	Australian Securities Exchange
Brazil	BM&F BOVESPA and Bolsa De Valores De Rio de Janeiro
Canada	Toronto Stock Exchange and TSX Venture Exchange
China	Shanghai Stock Connect
Hong Kong	Hong Kong Stock Exchange and GEM (Growth Enterprise Market) Hong Kong Stock Connect Hong Kong Bond Connect
India	Bombay (Mumbai) Stock Exchange and National Stock Exchange
Indonesia	Indonesian Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	The stock exchanges in Fukuoka, Nagoya, Sapporo, Osaka and Tokyo (including JASDAQ and Mothers Market sections of Tokyo Stock Exchange)
Korea	Korea Exchange and KOSDAQ
Malaysia	Bursa Malaysia
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Saudi Arabia	Tadawul Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange
Sri Lanka	Colombo Stock Exchange
Switzerland	SIX Swiss Exchange including the former exchange SWX Europe
Taiwan	Taipei Exchange and Taiwan GreTai Securities Market
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
UK	Those markets established in the UK on which transferable securities admitted to official listing in the UK are dealt in or traded, including LSE and AIM

Regional	
USA	<p>The NASDAQ Global Select Market, The NASDAQ Global Market and The NASDAQ Capital Market – collectively the NASDAQ Stock Market (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc).</p> <p>Any exchange registered with the Securities and Exchange Commission as a national stock exchange including Chicago Stock Exchange, NASDAQ OMX BX, NASDAQ OMX PHLX, National Stock Exchange, NYSE Euronext, NYSE Amex and NYSE Arca.</p> <p>The market in transferable securities issued by or on behalf of the Government of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers.</p> <p>The Over-the-Counter Market regulated by the National Association of Securities Dealers Inc. FINRA Trade Reporting and Compliance Engine (TRACE).</p>
Derivatives	
Australia	ASX Trade24
Belgium	NYSE Euronext Brussels
Brazil	BM&FBOVESPA and Bolsa De Valores De Rio de Janerio
Canada	Montreal Exchange
Columbia	Bolsa De Valores
France	NYSE Euronext, Paris
Germany	Eurex
Hong Kong	Hong Kong Futures Exchange
India	National Stock Exchange
Italy	Borsa Italiana (Italian Derivatives Market)
Japan	Osaka Stock Exchange, Tokyo Stock Exchange, Tokyo Financial Exchange
Korea	Korea Exchange
Mexico	Mercado Mexicano de Derivados
Netherlands	NYSE Euronext, Amsterdam
Poland	Warsaw Stock Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange
Spain	MEFF Renta Variable (Madrid)
Sweden	Nasdaq OMX, Stockholm and NASDAQ OMX Nordic
Switzerland	Eurex
Taiwan	Taiwan Futures Exchange
Turkey	Turkish Derivatives Exchange
UK	ICE Futures Exchange
USA	CME Group (including Chicago Board of Trade (CBOT), Chicago Mercantile Exchange (CME), COMEX, New York Mercantile Exchange (NYMEX)), Chicago Board Options Exchange (CBOE), CBOE Futures Exchange (CFE), ICE Futures US Inc, NASDAQ OMX Futures Exchange (NFX), Eris Exchange.



## Appendix 5 Determination of Net Asset Value

All Funds listed in this prospectus are single priced. A single priced Fund has a single price for buying and selling Units on any Business Day (the mid market value) and may be subject to the imposition of a dilution adjustment after which the price to be applied is known as the 'dealing price'.

Units will be bought or sold on a forward price basis being the price calculated at the next valuation point after we receive your instructions.

### Calculation of Mid Market Value

The value of the property of the Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

- A. All the property of the Fund (including receivables) is to be included, subject to the following provisions.
- B. Property which is not cash (or other assets dealt with in paragraph (C) below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - i. Units or shares in a collective investment scheme:
    1. If a single price for buying and selling units or shares is quoted, at that price; or
    2. If separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    3. If, in our opinion, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in our opinion, is fair and reasonable
  - ii. Exchange-traded derivative contracts:
    1. If a single price for buying and selling the exchange traded derivative is quoted, at that price; or
    2. If separate buying and selling prices are quoted, at the average of the two prices
  - iii. Over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between us and the depositary
  - iv. Any other transferable security:
    1. If a single price for buying and selling the security is quoted, at that price; or
    2. If separate buying and selling prices are quoted, at the average of the two prices; or
  3. If, in the opinion of the manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the manager, is fair and reasonable
  - v. Property other than that described in (i) and (ii) above, at a value which, in the opinion of the manager, represents a fair and reasonable mid-market price
  - vi. If separate buying and selling prices are quoted, at the average of the two prices; or
  - vii. If, in our opinion, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in our opinion, is fair and reasonable
  - viii. Property other than that described in (i) and (ii) above, at a value which, in our opinion, represents a fair and reasonable mid-market price
- C. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- D. Property which is a contingent liability transaction shall be treated as follows:
  - i. If a written option, (and the premium for writing the option has become part of the scheme property), deduct the amount of the net valuation of premium receivable. If the property is an off exchange derivative the method of valuation shall be agreed between us and the trustee
  - ii. If an off exchange future, include at the net value of closing out in accordance with a valuation method agreed between us and the trustee
  - iii. If any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off exchange derivative, the method of valuation shall be agreed between us and the trustee
- E. In determining the value of the scheme property, all instructions given to issue or cancel Units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case
- F. Subject to paragraphs (H) and (I) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in our opinion, their omission shall not materially affect the final net asset amount



- G. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph (G)
- H. All agreements are to be included under paragraph (G) which are, or ought reasonably to have been, known to the person valuing the property
- I. Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax
- J. Deduct an estimated amount for any liabilities payable out of the property of the Fund and any tax thereon treating periodic items as accruing from day to day
- K. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings
- L. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable
- M. Add any other credits or amounts due to be paid into the property of the Fund
- N. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received
- O. Currencies or values in currencies other than Base Currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders

## Appendix 6 Other collective investment schemes managed by us

**We are also the manager of the following authorised unit trust schemes:**

Schroder All Maturities Corporate Bond Fund	Anla Fund
Schroder Alternative Portfolio	Ardnave Fund
Schroder Asian Alpha Plus Fund	Barnegat Light Fund
Schroder Asian Income Fund	Bass Rock Fund
Schroder Asian Income Maximiser Fund	Betton Fund
Schroder Digital Infrastructure Fund	Bowdon General Fund
Schroder Dynamic Multi Asset Fund	Caversham Fund
Schroder European Alpha Plus Fund	Countess Fund
Schroder European Fund	Eiger Fund
Schroder European Smaller Companies Fund	Elystan Fund
Schroder Flexible Retirement Fund	Evergreen Fund
Schroder Gilt and Fixed Interest Fund	Finial Fund
Schroder Global Cities Real Estate Fund	Gresham General Fund
Schroder Global Corporate Bond Managed Credit Component	Iranja Fund
Schroder Global Diversified Income Fund	Maximillian Fund
Schroder Global Emerging Markets Fund	Pilot Hill Fund
Schroder Global Equity Component Fund Class	Scriventon Fund
Schroder Global Equity Fund	Star Hill Fund
Schroder Global Equity Income Fund	The Blackline Fund
Schroder Global Healthcare Fund	The Blair Fund
Schroder Global Sovereign Bond Tracker Component Fund	The Cutty Fund
Schroder Global Sustainable Value Equity Fund	The Global Growth Fund
Schroder High Yield Opportunities Fund	The Little Acorn Fund
Schroder Income Fund	The Milton Fund
Schroder Income Maximiser	The Mount Diston Fund
Schroder Institutional Growth	The Pondtail Fund
Schroder Institutional Pacific	The Second Managed Growth Fund
Schroder Institutional UK Smaller Companies Fund	The Springfield Trust
Schroder Long Dated Corporate Bond Fund	Thornton Fund
Schroder Managed Balanced Fund	Wadham Fund
Schroder Managed Wealth Portfolio	Winding Wood Fund
Schroder Prime UK Equity Fund	
Schroder QEP Global Active Value Fund	
Schroder QEP Global Core Fund	
Schroder QEP Global Emerging Markets Fund	
Schroder QEP US Core Fund	
Schroder Recovery Fund	

Schroder Small Cap Discovery Fund
Schroder Sterling Broad Market Bond Fund
Schroder Sterling Short Dated Broad Market Fund
Schroder Strategic Bond Fund
Schroder Sustainable Bond Fund
Schroder Sustainable Multi-Factor Equity Fund
Schroder Tokyo Fund
Schroder UK Alpha Plus Fund
Schroder UK Equity Fund
Schroder UK Mid 250 Fund
Schroder UK Multi-Factor Equity Component Fund
Schroder UK Smaller Companies Fund
Schroder US Equity Income Maximiser Fund
Schroder US Mid Cap Fund
Schroder US Smaller Companies Fund
Schroder Worldwide Equity Portfolio

We are also the authorised corporate director for Schroder Investment Fund Company, an open-ended investment company which currently has the following sub-Funds:

- Schroder UK Dynamic Smaller Companies Fund
- Schroder Sterling Corporate Bond Fund
- Schroder European Recovery Fund
- Schroder Sustainable UK Equity Fund
- Schroder UK Alpha Income Fund
- Schroder Strategic Credit Fund
- Schroder European Sustainable Equity Fund
- Schroder Global Recovery Fund
- Schroder Multi-Asset Total Return Fund
- Schroder India Equity Fund
- Schroder Islamic Global Equity Fund
- Schroder UK-Listed Equity Income Maximiser Fund
- Schroder Global Energy Transition Fund
- Schroder Global Sustainable Growth Fund
- Schroder AAA Flexible ABS Fund
- Schroder Emerging Markets Value Fund

We are also authorised corporate director for Schroder Absolute Return Fund Company, an open-ended investment company which currently has the following sub-Funds:

- Schroder UK Dynamic Absolute Return Fund

We are also the authorised corporate director for Schroder Investment Solutions Fund Company, an open ended investment company which currently has the following sub-Funds:

- Schroder Global Multi-Asset Cautious Portfolio
- Schroder Global Multi-Asset Moderately Cautious Portfolio
- Schroder Global Multi-Asset Balanced Portfolio
- Schroder Global Multi-Asset Growth Portfolio
- Schroder Global Multi-Asset Adventurous Portfolio
- Schroder Managed Defensive Fund
- Schroder Worldwide Equity Portfolio
- Schroder Blended Portfolio 3
- Schroder Blended Portfolio 4
- Schroder Blended Portfolio 5
- Schroder Blended Portfolio 6
- Schroder Blended Portfolio 7
- Schroder Blended Portfolio 8

We are also the authorised corporate director for the following open-ended investment companies:

- The Arcadia Fund
- The Wakefield Fund

We are also the manager of SUTL Cazenove Charity UCITS Fund (which is a unit trust) which currently has the following sub-Funds:

- SUTL Cazenove Charity Equity Income Fund
- SUTL Cazenove Charity Equity Value Fund
- SUTL Cazenove Charity Bond Fund

We are also the manager of SUTL Cazenove Charity Non-UCITS Fund (which is a unit trust) which currently has the following sub-Funds:

- SUTL Cazenove Charity Multi-Asset Fund
- SUTL Cazenove Charity Sustainable Multi-Asset Fund

We are also the Manager for Schroders Capital Long-Term Asset Funds, an authorised contractual scheme which currently has the following sub-Funds:

- Schroders Capital Climate+ LTAF
- Schroders Capital Global Private Equity LTAF Z Accumulation
- Schroders Greencoat Global Renewables+ LTAF
- Schroders Capital UK Innovation LTAF QT1 Accumulation
- Schroders (Future Growth Capital) UK Private Assets LTAF

## Appendix 7 Performance details

The historical performance 1 of each Fund is as follows together with the historical performance of the relevant benchmark(s) for each Fund provided for comparison purposes:

Annual performance is shown for A class Accumulation Units of each Fund. If A class Accumulation Units have not been issued for a Fund the Unit class with the highest annual management charge will be shown. Past performance is not necessarily a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

Fund	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)
<b>Schroder Alternative Portfolio</b>					
Q1 Accumulation GBP	8.0	-	-	-	-
ICE BofA Sterling 3-Month Government Bill Index plus 2%	7.3	-	-	-	-
<b>Schroder Active Asset Allocation Portfolio</b>					
Q1 Accumulation GBP					
60% MSCI ACWI (NDR) GBP, 20% BB Global Treasury (GBP Hedged), 20% BB Global Aggregate Corporate (GBP hedged)					
<b>Schroder Countrywide Managed Balanced Fund <sup>1</sup></b>					
Q1 Accumulation GBP	11.2	7.6	-8.1	10.9	-
35% FTSE All Share (Net Total Return), 42% MSCI ACWI Index (NDR) GBP, 4.25% iBoxx UK Gilts, 4.25% iBoxx UK Non-Gilts, 6.25% BB Global Aggregate Treasury (GBP hedged), 6.25% BB Global Aggregate Corporate (GBP hedged) and 2% ICE BofA Sterling 3-Month Government Bill Index	11.1				
42% FTSE All Share (Net Total Return), 35% MSCI ACWI Index (NDR) GBP, 21% Bloomberg Barclays Sterling Aggregate Index and 2% ICE BofA Sterling 3-Month Government Bill Index	-	9.9	-7.8	13.3	-
<b>Schroder Diversified Growth Fund <sup>2</sup></b>					
I Accumulation GBP	7.8	4.5	-11.7	7.4	7.1
ICE BofA Sterling 3-Month Government Bill index + 4.5%	9.9	9.4	7.1	-	-
MSCI AC World (Net Total Return) GBP Hedged index	20.5	20.9	-17.2	20.5	12.4
UK Consumer Price Index plus 5%	-	-	-	10.4	5.6
<b>Schroder Monthly Income</b>					
A Accumulation GBP	5.5	7.7	-8.2	8.0	-2.8
Investment Association Mixed Investment 20-60% Shares sector average	6.2	6.9	-9.7	6.3	3.5
<b>Schroder Scottish Friendly Managed Fund <sup>3</sup></b>					
Q1 Accumulation GBP	-	-	-	-	-

<sup>1</sup> On 2 February 2024 the fund's investment objective and target benchmark was changed. Prior to this date, the fund's target benchmark was 42% FTSE All Share (Net Total Return), 35% MSCI ACWI Index (NDR) GBP, 21% Bloomberg Barclays Sterling Aggregate Index and 2% ICE BofA Sterling 3-Month Government Bill Index.

<sup>2</sup> On 1 April 2022, the Schroder Diversified Growth Fund changed its target benchmark from UK Consumer Price Index plus 5% to ICE BofA Sterling 3-Month Government Bill Index plus 4.5%.

<sup>3</sup> Schroder Scottish Friendly Managed Fund launched on 17 March 2025, as such no past performance information is yet available for this Fund

Fund	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)
20% FTSE All Share (Net Total Return), 50% MSCI ACWI Index (NDR) GBP, 16% Bloomberg Global Aggregate Treasury Index (hedged to GBP), 11% Bloomberg Global Aggregate Corporate Index (hedged to GBP), 2% Bloomberg Global High Yield exCMBS exEMG Index GBP hedged (2% capped) and 1% ICE BofA Sterling 3-Month Government Bill Index.	-	-	-	-	-
<b>Schroder Worldwide Corporate Bond Portfolio</b>					
Q Accumulation GBP					
Bloomberg Global Aggregate Corporate (hedged to GBP) index					
<b>Schroder Sustainable Future Multi-Asset Fund <sup>4</sup></b>					
A Income GBP	5.6	4.4	-11.5	7.0	3.4
ICE BofA Sterling 3-Month Government Bill index + 3.5%	8.9	8.3	6.1	-	-
UK Consumer Price Index plus 4%	-	-	-	9.3	4.6
Investment Association Mixed Investments 20%-60% Share Sector average return	-	-	-	-	-
<b>SUTL Cazenove GBP Balanced Fund</b>					
Z Accumulation GBP	9.0	5.4	-7.6	6.3	8.9
UK Consumer Price Index plus 3.25%	6.0	7.3	14.2	8.5	3.9
Asset Risk Consultants (ARC) Sterling Balanced	4.4	6.0	-9.1	7.9	4.8
<b>SUTL Cazenove GBP Cautious Fund</b>					
Z Accumulation GBP	6.5	4.6	-7.5	-	-
UK Consumer Price Index plus 2.5%	5.2	6.5	13.4	-	-
Asset Risk Consultants (ARC) Sterling Cautious Private Client index	4.4	4.4	-7.6	-	-
<b>SUTL Cazenove GBP Equity Focus Fund</b>					
Z Accumulation GBP	14.6	7.7	-8.2	-	-
UK Consumer Price Index plus 4.7%	7.5	8.8	15.9	-	-
Asset Risk Consultants (ARC) Sterling Equity Risk Private Client index	9.8	8.1	-11.4	-	-
<b>SUTL Cazenove GBP Growth Fund</b>					
Z Accumulation GBP	11.2	6.0	-7.5	8.5	11.1
UK Consumer Price Index plus 4%	6.7	8.1	15.1	9.3	4.3
Asset Risk Consultants (ARC) Sterling Steady Growth Private Client index	8.4	7.3	-10.2	10.2	4.6
<b>SUTL Cazenove Sustainable Balanced Fund</b>					
Z Accumulation GBP	6.4	5.7	-	-	-
UK Consumer Price Index plus 3.25%	6.0	7.3	-	-	-
Asset Risk Consultants (ARC) Sterling Balanced Asset Private Client Index	6.8	6.0	-	-	-

<sup>4</sup> With effect from 1 April 2022, Schroder Dynamic Multi Asset Fund changed its name to Schroder Sustainable Future Multi-Asset Fund and changed its investment objective and policy and changed its target benchmark from UK Consumer Price Index plus 4% to ICE BofA Sterling 3-Month Government Bill Index plus 3.5%.



Fund	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)
<b>SUTL Cazenove Sustainable Growth Fund</b>					
Z Accumulation GBP	7.9	7.6	-7.7	-	-
UK Consumer Price Index plus 4%	6.7	8.1	15.1	-	-
Asset Risk Consultants (ARC) Sterling Steady Growth Private Client index	8.4	7.3	-10.2	-	-
<b>Multi-Manager Funds</b>					
<b>Schroder Income Portfolio <sup>5</sup></b>					
A Income GBP	7.1	7.8	-6.6	12.0	-0.4
Investment Association Mixed Investment 20–60% Shares sector average	6.2	6.9	-9.7	6.3	3.5
UK Consumer Price Index	-	-	-	-	0.4
<b>Schroder MM Diversity Fund</b>					
A Accumulation GBP	4.6	6.4	4.5	6.8	3.9
UK Consumer Price Index	2.6	3.9	10.7	5.1	0.3
Investment Association Mixed Investment 20–60% Shares sector average	6.2	6.9	-9.7	6.3	3.5
<b>Schroder UK Multi-Cap Income Fund <sup>6</sup></b>					
A Accumulation GBP	6.4	10.0	-13.7	17.1	-12.1
FTSE All Share (Gross Total Return) Index	9.5	7.9	0.3	18.3	-9.8
Investment Association UK Equity Income sector average return	8.7	7.1	-2.2	18.3	-
Investment Association UK All Companies sector average	-	-	-	-	-6.2
<b>Model Portfolio Service Funds</b>					
<b>Schroder MPS Emerging Markets Equity Portfolio</b>					
Q Accumulation GBP	-	-	-	-	-
MSCI Emerging Markets (Net Total Return) (GBP) Index					
<b>Schroder MPS Europe ex UK Equity Portfolio</b>					
Q Accumulation GBP	-	-	-	-	-
MSCI Europe ex UK (Net Total Return) (GBP) Index					
<b>Schroder MPS Japan Equity Portfolio</b>					
Q Accumulation GBP	-	-	-	-	-
MSCI Japan (Net Total Return) (GBP) Index					
<b>Schroder MPS North America Equity Portfolio</b>					
Q Accumulation GBP	-	-	-	-	-

<sup>5</sup> With effect from 12 November 2021, Schroder MM Diversity Income Fund changed its name to Schroder Income Portfolio, and changed its investment objective, policy and changed its target benchmark (from a capital growth target benchmark of the UK Consumer Price Index and an income target of 4% per year to an income target of 3-5% per year). Prior to 12 November 2021, historical performance for Schroder Income Portfolio is compared against its previous target benchmark (UK Consumer Price Index).

<sup>6</sup> With effect from 6 September 2021, Schroder MM UK Growth Fund changed its name to Schroder UK Multi-Cap Equity Fund, and changed its investment objective, policy, target benchmark (to add an income target of 5% income per year) and comparator benchmarks (from the Investment Association UK All Companies sector average to the Investment Association UK Equity Income sector average return). Prior to 6 September 2021, historical performance for Schroder UK Multi-Cap Equity Fund is compared against its previous comparator benchmark (Investment Association UK All Companies sector average). Schroder UK Multi-Cap Income Fund was liquidated on 12 December 2025 and is now in wind-up.

Fund	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)
MSCI North America (Net Total Return) (GBP) Index					
<b>Schroder MPS UK Equity Portfolio</b>					
Q Accumulation GBP	-	-	-	-	-
FTSE AS TR Index					

## Appendix 8 Other information

List of the third party delegates appointed by the trustee as 12 May 2025.

Please note that from 1 July 2017 J.P. Morgan Bank Luxembourg S.A. is an intermediary sub custodian between JPMorgan Chase Bank N.A. and JPMorgan Chase Bank N.A. Mumbai Branch as Indian sub custodian.

Market	Sub custodian	Cash Correspondent Bank
Argentina	HSBC Bank Argentina S.A. Bouchard 557, 18 <sup>th</sup> Floor Buenos Aires C1106ABJ Argentina	HSBC Bank Argentina S.A. Buenos Aires
Australia	JPMorgan Chase Bank N.A. (J.P. Morgan affiliate)  Level 31, 101 Collins Street Melbourne 3000 Australia	Australia and New Zealand Banking Group Ltd.  Melbourne  JPMorgan Chase Bank N.A., Sydney Branch (for clients utilizing J.P. Morgan's domestic AUD solution) (J.P. Morgan affiliate)  Sydney
Austria	UniCredit Bank Austria AG  Julius Tandler Platz – 3 A-1090 Vienna Austria	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Bahrain	HSBC Bank Middle East Limited  1 <sup>st</sup> Floor, Building No 2505, Road No 2832 Al Seef 428 Bahrain	HSBC Bank Middle East Limited  Al Seef
Bangladesh	Standard Chartered Bank  Portlink Tower Level-6, 67 Gulshan Avenue Gulshan Dhaka -1212 Bangladesh	Standard Chartered Bank  Dhaka
Belgium	BNP Paribas Securities Services S.C.A. (for clients contracting with J.P. Morgan (Suisse) SA and for all Belgian Bonds settling in the National Bank of Belgium (NBB))  Central Plaza Building Rue de Loosum, 25 7 <sup>th</sup> Floor 1000 Brussels Belgium	J.P. Morgan AG  Frankfurt am Main
Belgium	J.P. Morgan Bank Luxembourg S.A. (for clients contracting with this entity and JPMorgan Chase Bank, N.A.) (J.P. Morgan affiliate) European Bank and Business Centre, 6, route de Treves Senningerberg L-2633 Luxembourg	J.P. Morgan AG  Frankfurt am Main
Belgium	J.P. Morgan Bank (Ireland) PLC (for clients contracting with this entity) (J.P. Morgan affiliate)  200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 Ireland	J.P. Morgan AG  Frankfurt am Main

Market	Sub custodian	Cash Correspondent Bank
Bermuda	HSBC Bank Bermuda Limited 37 Front Street Hamilton HM 11 Bermuda	HSBC Bank Bermuda Limited Hamilton
Botswana	Standard Chartered Bank Botswana Limited 5 <sup>th</sup> Floor, Standard House P.O. Box 496 Queens Road, The Mall Gaborone Botswana	Standard Chartered Bank Botswana Limited Gaborone
Brazil	J.P. Morgan S.A. DTVM (J.P. Morgan affiliate) Av. Brigadeiro Faria Lima, 3729, Floor 06 Sao Paulo SP 04538-905 Brazil	J.P. Morgan S.A. DTVM (J.P. Morgan affiliate) Sao Paulo
Bulgaria	Citibank Europe plc Serdika Offices 10 <sup>th</sup> Floor 48 Sitnyakovo Blvd Sofia 1505 Bulgaria	ING Bank N.V. Sofia
Canada	CIBC Mellon Trust Company (Note: Clients please refer to your issued settlement instructions) 1 York Street, Suite 900 Toronto Ontario M5J 0B6 Canada  Royal Bank of Canada (Note: Clients please refer to your issued settlement instructions) 155 Wellington Street West, 2 <sup>nd</sup> Floor Toronto Ontario M5V 3L3 Canada	Canadian Imperial Bank of Commerce  (For clients utilizing J.P. Morgan's domestic CAD solution) Toronto  Royal Bank of Canada Toronto
Chile	Banco Santander Chile Bandera 140, Piso 4 Santiago CHILE	Banco Santander Chile Santiago
China A-Share	JPMorgan Chase Bank (China) Company Limited (Note: Clients please refer to your issued settlement instructions) J.P. Morgan affiliate 41 <sup>st</sup> floor, Park Place, No. 1601, West Nanjing Road, Jingan District Shanghai The People's Republic of China  HSBC Bank (China) Company Limited 33/F, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai 200120 The People's Republic of China	JPMorgan Chase Bank (China) Company Limited (Note: Clients please refer to your issued settlement instructions) J.P. Morgan affiliate Shanghai  HSBC Bank (China) Company Limited (Note: Clients please refer to your issued settlement instructions) Shanghai

Market	Sub custodian	Cash Correspondent Bank
China B-Share	HSBC Bank (China) Company Limited 33/F, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai 200120 The People's Republic of China	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)  New York  JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)  Hong Kong
China Connect	JP Morgan Chase Bank, N.A. (J.P. Morgan affiliate)  48 <sup>th</sup> Floor, One Island East 18 Westlands Road, Quarry Bay Hong Kong	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)  Hong Kong
Colombia	Cititrust Colombia S.A. Carrera 9 A # 99-02, 3rd floor Bogota Colombia	Cititrust Colombia S.A.  Bogotá
Costa Rica <sup>1</sup>	Banco BCT, S.A.  150 Metros Norte de la Catedral Metropolitana Edificio BCT San Jose Costa Rica	Banco BCT, S.A.  San Jose
Croatia	Privredna banka Zagreb d.d. Radnicka cesta 50 10000 Zagreb Croatia	Zagrebacka banka d.d.  Zagreb
Cyprus	HSBC France Athens Branch  109-111, Messogian Ave. 115 26 Athens Greece	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Czech republic	UniCredit Bank Czech Republic and Slovakia, a.s  BB Centrum – FILADELFIE Zeletavska 1525-1 140 92 Prague 1 Czech republic	Ceskoslovenska obchodni banka, a.s.  Prague
Denmark	Skandinaviska Enskilda Banken (publ)  Kungstradgardsgatan 8 Stockholm PO Box 106 40 Sweden	
Egypt	Citibank N.A., Egypt  Boomerang Building, Plot 46, Zone J, 1 <sup>st</sup> district, 5 <sup>th</sup> Settlement, New Cairo 11511 Egypt	Citibank, N.A.  New Cairo
Estonia	Access to the market via Clearstream Banking S.A., Luxembourg in its capacity as International Central Securities Depository	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main

<sup>1</sup> Restricted service only

Market	Sub custodian	Cash Correspondent Bank
Finland	Skandinaviska Enskilda Banken (publ) Eteläesplanadi 18 Helsinki PO Box 00130 Finland	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
France	BNP Paribas Securities Services S.C.A. (for clients contracting with J.P. Morgan (Suisse) SA and for Physical Securities and Ordre de Mouvement (ODMs) held by clients)  3, Rue d'Antin Paris 75002 France	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
France	J.P. Morgan Bank Luxembourg S.A. (for clients contracting with this entity and JPMorgan Chase Bank, N.A.) (J.P. Morgan affiliate)  European Bank & Business Centre, 6, route de Treves Senningerberg L-2633 Luxembourg	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
France	J.P. Morgan Bank (Ireland) PLC (for clients contracting with this entity) (J.P. Morgan affiliate)  200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 Ireland	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Germany	Deutsche Bank AG  Alfred-Herrhausen-Allee 16-24 D-65760 Eschborn Germany	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Germany	J.P. Morgan AG (J.P. Morgan affiliate)  Taunustor 1 (TaunusTurm) 60310 Frankfurt am Main Germany  # Custodian for local German custody clients only.	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Ghana	Standard Chartered Bank Ghana Limited  Accra High Street P.O. Box 768 Accra Ghana	Standard Chartered Bank Ghana Limited  Accra
Greece	HSBC France Athens Branch  Messogion 109-111 11526 Athens Greece	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Hong Kong	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)  18 <sup>th</sup> Floor Tower 2, The Quayside, 77 Hoi Bun Road, Kwun Tong Hong Kong	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)  Hong Kong
Hungary	Deutsche Bank AG Hold utca 27 H-1054 Budapest Hungary	UniCredit Bank Hungary Zrt.



Market	Sub custodian	Cash Correspondent Bank
Iceland	Islandsbanki hf. Kirkjusandur 2 IS-155 Reykjavik Iceland	Islandsbanki hf. Reykjavik
India	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) 6 <sup>th</sup> Floor, Paradigm 'B' Wing MindSpace, Malad (West) Mumbai 400 064 India	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) Mumbai
Indonesia	PT Bank HSBC Indonesia WTC 3 Building – 8 <sup>th</sup> floor Jl. Jenderal Sudirman Kav. 29–31 Indonesia	PT Bank HSBC Indonesia Jakarta
Ireland	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) 25 Bank Street, Canary Wharf London E14 5JP United Kingdom	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
Israel	Bank Leumi le-Israel B.M. 35, Yehuda Halevi Street 65136 Tel Aviv Israel	Bank Leumi le-Israel B.M. Tel Aviv
Italy	J.P. Morgan Bank (Ireland) PLC (for clients contracting with this entity. Clients contracting with J.P. Morgan Bank Luxembourg S.A. please refer to your issued settlement instructions) J.P.Morgan affiliate 200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 Ireland	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
Italy	BNP Paribas Securities Services S.C.A. (for clients contracting with J. P. Morgan Chase Bank, N.A. and J.P. Morgan (Suisse) SA. Clients contracting with J.P. Morgan Bank Luxembourg S.A. please refer to your issued settlement instructions) Piazza Lina Bo Bardi 3 Milan 20124 Italy	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
Japan	Mizuho Bank, Ltd. (Note: Clients please refer to your issued settlement instructions) 2-15-1, Konan Minato-ku Tokyo 108-6009 Japan	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) Tokyo
Japan	MUFG Bank, Ltd. (Note: Clients please refer to your issued settlement instructions) 1-3-2 Nihombashi Hongoku-cho Chuo-ku Tokyo 103-0021 Japan	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) Tokyo

Market	Sub custodian	Cash Correspondent Bank
Jordan	Standard Chartered Bank  Shmeissani Branch Al-Thaqafa Street Building # 2 P.O.BOX 926190 Amman Jordan	Standard Chartered Bank  Amman
Kazakhstan	JSC Citibank Kazakhstan  Park Palace, Building A, Floor 2 41 Kazybek Bi Almaty 050010 Kazakhstan	Subsidiary Bank Sberbank of Russia Joint Stock Company  Almaty
Kenya	Standard Chartered Bank Kenya Limited  Chiromo 48 Westlands Road Nairobi 00100 Kenya	Standard Chartered Bank Kenya Limited  Nairobi
Kuwait	HSBC Bank Middle East Limited  Al Hamra Tower, Abdulaziz Al Sager Street Sharq Area Kuwait City Kuwait	HSBC Bank Middle East Limited  Kuwait City
Latvia	Access to the market via Clearstream Banking S.A., Luxembourg in its capacity as International Central Securities Depository	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Lithuania	Access to the market via Clearstream Banking S.A., Luxembourg in its capacity as International Central Securities Depository	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Luxembourg	Access to the market via Clearstream Banking S.A. Luxembourg in its capacity as international Central Securities Depository	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Malawi	Standard Bank PLC  Kaomba Centre, Cnr Glyn Jones Road and Victoria Avenue, P.O. Box 1111 Blantyre Malawi	Standard Bank Limited, Malawi  Blantyre
Malaysia	HSBC Bank Malaysia Berhad  2 Leboh Ampang 12 <sup>th</sup> Floor, South Tower 50100 Kuala Lumpur Malaysia	HSBC Bank Malaysia Berhad  Kuala Lumpur
Mauritius	The Hongkong and Shanghai Banking Corporation Limited  HSBC Centre 18 Cybercity Ebene Mauritius	The Hongkong and Shanghai Banking Corporation Limited  Ebene

Market	Sub custodian	Cash Correspondent Bank
Mexico	Banco Nacional de Mexico, S.A. Act. Roberto Medellin No. 800 3er Piso Norte Colonia Santa Fe 01210 Mexico, D.F. Mexico	Banco Santander (Mexico), S.A. Mexico, D.F.
Morocco	Société Générale Marocaine de Banques 55 Boulevard Abdelmoumen Casablanca 20100 Morocco	Attijariwafa Bank S.A. Casablanca
Namibia	Standard Bank Namibia Limited Mutual Platz 2 <sup>nd</sup> Floor, Standard Bank Centre Cnr. Stroebeel and Post Streets P.O.Box 3327 Windhoek NAMIBIA	The Standard Bank of South Africa Limited Johannesburg
Netherlands	J.P. Morgan Bank Luxembourg S.A. (for clients contracting with this entity and JPMorgan Chase Bank, N. A.) (J.P. Morgan affiliate)  European Bank and Business Centre, 6, route de Treves Senningerberg L-2633 Luxembourg	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Netherlands	BNP Paribas Securities Services S.C.A. (for clients contracting with J. P. Morgan (Suisse) SA  Herengracht 595 1017 CE Amsterdam Netherlands	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Netherlands	J.P. Morgan Bank (Ireland) PLC (for clients contracting with entity) J.P. Morgan affiliate  200 Capital Dock, 79 Sir John Rogerson's Quay Dublin D02 RK57 Ireland	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
New Zealand	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)  Level 13, 2 Hunter Street Wellington 6011 New Zealand	JPMorgan Chase Bank, N.A. New Zealand Branch (for clients utilising J. P. Morgan's domestic NZD solution) J.P. Morgan affiliate  Wellington  Westpac Banking Corporation  Wellington
Nigeria	Stanbic IBTC Bank Plc  Plot 1712 Idejo Street Victoria Island Lagos Nigeria	Stanbic IBTC Bank Plc  Lagos
Norway	Skandinaviska Enskilda Banken (publ)  Filipstad Brygge 1 Oslo PO Box 0252 Norway	Nordea Bank Abp  Oslo

Market	Sub custodian	Cash Correspondent Bank
Oman	HSBC Bank Oman S.A.O.G. 2 <sup>nd</sup> Floor Al Khuwair PO Box 1727 PC 111 Seeb Oman	HSBC Bank Oman S.A.O.G. Seeb
Pakistan	Standard Chartered Bank (Pakistan) Limited P.O. Box 4896 Ismail Ibrahim Chundrigar Road Karachi 74000 Pakistan	Standard Chartered Bank (Pakistan) Limited Karachi
Panama	Citibank, N.A. Sucursal Panama Punta Pacifica Torre de las Americas Piso 14 PO Box 0834-0555 Panama	Citibank, N.A. Panama Branch
Peru	Citibank del Perú S.A. Av. Canaval y Moreryra 480 Piso 4 San Isidro Lima 27 Peru	Citibank del Perú S.A. Lima
Philippines	The Hongkong and Shanghai Banking Corporation Limited 7/F HSBC Centre 3058 Fifth Avenue West Bonifacio Global City 1634 Taguig City Philippines	The Hongkong and Shanghai Banking Corporation Limited Taguig City
Poland	Bank Handlowy w. Warszawie S.A. ul. Senatorska 16 00-923 Warsaw Poland	mBank S.A. Warsaw
Portugal	BNP Paribas Securities Services S.C.A. Avenida D.João II, Lote 1.18.01, Bloco B, 7º andar 1998-028 Lisbon Portugal	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
Qatar	HSBC Bank Middle East Limited 2 <sup>nd</sup> Floor, Ali Bin Ali Tower Building 150 (Airport Road) PO Box 57 Doha Qatar	The Commercial Bank (P.Q.S.C.) Doha
Romania	Citibank Europe plc 145 Calea Victoriei 1 <sup>st</sup> District 010072 Bucharest Romania	ING Bank N.V. Bucharest

Market	Sub custodian	Cash Correspondent Bank
Russia	Commercial Bank J.P. Morgan Bank International (Limited Liability Company) (J.P. Morgan affiliate)  10, Butyrsky Val White Square Business Centre Floor 12 Moscow 125047 Russia	Public Joint-Stock Company Rosbank  Moscow  JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)  New York
Saudi Arabia	J.P. Morgan Saudi Arabia Company (Note: Clients please refer to your issued settlement instructions) J.P. Morgan affiliate  Al Faisaliah Tower, Level 8, P.O. Box 51907 Riyadh 11553 Saudi Arabia	JPMorgan Chase Bank, N.A. – Riyadh Branch (J.P.Morgan affiliate)  Riyadh  The Saudi British Bank  Riyadh
Saudi Arabia	HSBC Saudi Arabia Limited (Note: Clients please refer to your issued settlement instructions)  2/F HSBC Building Olaya Road, Al-Murooj Riyadh 11413 Saudi Arabia	JPMorgan Chase Bank, N.A. – Riyadh Branch (J.P. Morgan affiliate)  Riyadh  The Saudi British Bank  Riyadh
Serbia	Unicredit Bank Srbija a.d.  Rajiceva 27-29 11000 Belgrade Serbia	Unicredit Bank Srbija a.d.  Belgrade
Singapore	DBS Bank Ltd  10 Toh Guan Road DBS Asia Gateway, Level 04-11 (4B) 608838 Singapore	Oversea-Chinese Banking Corporation  Singapore
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.  Sancova 1/A SK-813 33 Bratislava Slovak Republic	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
Slovenia	UniCredit Banka Slovenija d.d.  Smartinska 140 SI-1000 Ljubljana Slovenia	J.P. Morgan AG (J.P. Morgan affiliate)  Frankfurt am Main
South Africa	FirstRand Bank Limited  1 Mezzanine Floor, 3 First Place, Bank City Cnr Simmonds and Jeppe Streets Johannesburg 2001 South Africa	The Standard Bank of South Africa Limited  Johannesburg

Market	Sub custodian	Cash Correspondent Bank
South Korea	<p>Standard Chartered Bank Korea Limited (Note: Clients please refer to your issued settlement instructions)</p> <p>47 Jongro, Jongro-Gu Seoul 3160 South Korea</p> <p>Kookmin Bank Co., Ltd. (Note: Clients please refer to your issued settlement instructions)</p> <p>84, Namdaemun-ro, Jung-gu Seoul 100-845 South Korea</p>	<p>Standard Chartered Bank Korea Limited (Note: Clients please refer to your issued settlement instructions)</p> <p>Seoul</p> <p>Kookmin Bank Co., Ltd. (Note: Clients please refer to your issued settlement instructions)</p> <p>Seoul</p>
Spain	<p>Santander Securities Services, S.A.</p> <p>Parque Empresarial La Finca, Pozuelo de Alarcón Madrid 28223 Spain</p>	<p>J.P. Morgan AG (J.P. Morgan affiliate)</p> <p>Frankfurt am Main</p>
Sri Lanka	<p>The Hongkong and Shanghai Banking Corporation Limited</p> <p>24 Sir Baron Jayatillaka Mawatha Colombo 1 Sri Lanka</p>	<p>The Hongkong and Shanghai Banking Corporation Limited</p> <p>Colombo</p>
Sweden	<p>Skandinaviska Enskilda Banken (publ)</p> <p>Kungstradgardsgatan 8 Stockholm PO Box 106 40 Sweden</p>	<p>Svenska Handelsbanken</p> <p>Stockholm</p>
Switzerland	<p>UBS Switzerland AG</p> <p>45 Bahnhofstrasse 8021 Zurich Switzerland</p>	<p>UBS Switzerland AG Zurich</p>
Taiwan	<p>JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)</p> <p>8<sup>th</sup> Floor, Cathay Xin Yi Trading Building No. 108, Section 5, Xin Yi Road Taipei 11047 Taiwan</p>	<p>JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate)</p> <p>Taipei</p>
Tanzania	<p>Stanbic Bank Tanzania Limited</p> <p>Stanbic Centre Corner Kinondoni and A.H.Mwinyi Roads P.O. Box 72648 Dar es Salaam Tanzania</p>	<p>Stanbic Bank Tanzania Limited</p> <p>Dar es Salaam</p>
Thailand	<p>Standard Chartered Bank (Thai) Public Company Limited</p> <p>14<sup>th</sup> Floor, Zone B Sathorn Nakorn Tower 90 North Sathorn Road Bangrak Silom, Bangrak Bangkok 10500 Thailand</p>	<p>Standard Chartered Bank (Thai) Public Company Limited</p> <p>Bangkok</p>



<b>Market</b>	<b>Sub custodian</b>	<b>Cash Correspondent Bank</b>
Trinidad and Tobago	Republic Bank Limited 90–17 Park Street Port of Spain Trinidad and Tobago	Republic Bank Limited Port of Spain
Tunisia	Union Internationale de Banques Societe Generale SA 10, Rue d'Egypte, Tunis Belvedere Tunis 1002 Tunisia	Banque Internationale Arabe de Tunisie, S.A. Tunis
Turkey	Citibank A.S. Tekfen Tower, Eski Buyukdere Cad No:209 K:2, Levent Istanbul 34394 Turkey	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) Istanbul
Uganda	Standard Chartered Bank Uganda Limited 5 Speke Road P.O. Box 7111 Kampala Uganda	Standard Chartered Bank Uganda Limited Kampala
Ukraine	Joint Stock Company 'Citibank' 16-G Dilova Street Kiev 03150 Ukraine Ukraine	Joint Stock Company 'Citibank' Kiev JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) New York
United Arab Emirates	HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai United Arab Emirates	The National Bank of Abu Dhabi Abu Dhabi JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) New York
United Kingdom	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) 4 New York Plaza New York 10004 United States	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) London
United Kingdom	Deutsche Bank AG Depository and Clearing Centre 10 Bishops Square London E1 6EG United Kingdom	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) London
United States	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) 4 New York Plaza New York NY 10004 United States	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) New York
Uruguay	Banco Itaú Uruguay S.A. Zabala 1463 11000 Montevideo Uruguay	Banco Itaú Uruguay S.A. Montevideo

<b>Market</b>	<b>Sub custodian</b>	<b>Cash Correspondent Bank</b>
Vietnam	HSBC Bank (Vietnam) Ltd. 106 Nguyen Van Troi Street Phu Nhuan District Ho Chi Minh City Vietnam	HSBC Bank (Vietnam) Ltd. Ho Chi Minh City
Waemu – Benin, Burkina Faso, Guinea-Bissau, Ivory Coast, Mali, Niger, Senegal, Togo	Standard Chartered Bank Côte d’Ivoire SA 23 Boulevard de la Republique 1 01 B.P. 1141 Abidjan 17 Ivory Coast	Standard Chartered Bank Côte d’Ivoire SA Abidjan
Zambia	Standard Chartered Bank Zambia Plc Standard Chartered House Cairo Road P.O. Box 32238 Lusaka 10101 Zambia	Standard Chartered Bank Zambia Plc Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited Stanbic Centre, 3rd Floor 59 Samora Machel Avenue Harare Zimbabwe	Stanbic Bank Zimbabwe Limited Harare

## Appendix 9 Glossary of terms

**This section sets out an explanation of some of the technical terms we use in this prospectus**

### Accumulation Unit

A Unit which accumulates the income arising in respect of that Unit so that it is reflected in the value of that Unit.

### AIFM

An alternative investment fund manager as defined in the Regulations.

### AIFM Directive (or AIFMD)

Directive 2001/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers.

### AIFMD Rules

The provisions of: (i) the UK version of Commission Delegated Regulation (EU) No 231/2013 supplementing the AIFM Directive with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; and (ii) the provisions of the Regulations, including but not limited to, Collective Investment Schemes Sourcebook and FUND Sourcebook, and any other applicable regulations implementing the AIFM Directive, in each case as may be altered, amended, added to or cancelled from time to time.

### Base Currency

The currency in which the Units, the accounts and the Unitholder's statement will be expressed (in each case GBP (£)).

### Business Day

A week day on which banks and the London stock exchanges are normally open for business in the UK. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday somewhere else or any other reason which impedes the calculation of the fair market value of the Fund or a significant position thereof, the manager may decide that any Business Day shall not be construed as such.

### Client Money Rules

The client money rules set out in the FCA's Client Assets Sourcebook

### Dealing Day

A Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Unit of the relevant class or of the Net Asset Value of the relevant Fund (unless stated otherwise in this prospectus) and such other day as the manager may, with the consent of the trustee, decide from time to time.

### Dormant Assets Fund Operator

Reclaim Fund Limited or any other dormant assets fund operator under the Dormant Assets Scheme which is authorised and regulated by the FCA

### Dormant Assets Scheme

The dormant assets scheme described in section 1 of the Dormant Assets Act 2022.

### Eligible Amount

any of the following amounts which are owed to a Unitholder (subject to any applicable fees, charges or interest which may be payable):

- Unit conversion proceeds;
- Unit redemption proceeds;
- proceeds of a distribution of income;
- monies attributable to a Unit following the winding-up or termination of a Fund; and
- other money held by Schroders in accordance with the Client Money Rules

### FCA

Financial Conduct Authority.

### Funds

All the authorised unit trusts listed in this prospectus or, where the singular is used, any one of those Funds.

### GBP (£)

Pounds sterling, or any currency which may be the lawful currency of the UK from time to time. Any change from Sterling to any other currency will take place by operation of law and in such circumstances will not require Unitholder consent.

### Income Unit

A Unit which distributes its income.

### Net Asset Value

The value of the scheme property attributable to a Fund less the liabilities of the Fund as calculated in accordance with the trust deed and the Regulations.

### Non-UCITS retail scheme or NURS

Means a Fund constituted under the Regulations as a non-UCITS retail scheme.

### Portfolio Currency

The currency or currencies of the assets in which a Fund is invested.

### Regulations

The rules as set out by the FCA in its Handbook of Rules and Guidance.

### Sustainability Label

One of four labels made available by the FCA to indicate that a Fund has a particular sustainability goal and meets certain qualifying criteria. The labels are Sustainability

Focus; Sustainability Improvers; Sustainability Impact; and Sustainability Mixed Goals. Where a Fund uses a sustainability label, this is indicated in Appendix 1.

#### Trust deed

The document constituting a Fund.

#### UCITS

An 'undertaking for collective investment in transferable securities' (a) established in an EEA State, within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive; or (b) (from the date on which the EUWA come into effect) established in an EEA state or the UK, within the meaning of section 236A of the Financial Services and Markets Act 2000, as amended.

#### Unit

A unit in a Fund (or a fraction).

#### Unitholder

A holder of a Unit in a Fund.

#### US Person

Any person defined as a US person under Regulation S of the United States Securities Act 1933.

#### USA or US

The United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.





EST. 1804

**1 London Wall Place**  
**London EC2Y 5AU**

Authorised and regulated by the Financial Conduct Authority.

SUTL\_NURS Prospectus GBEN 22 December 2025