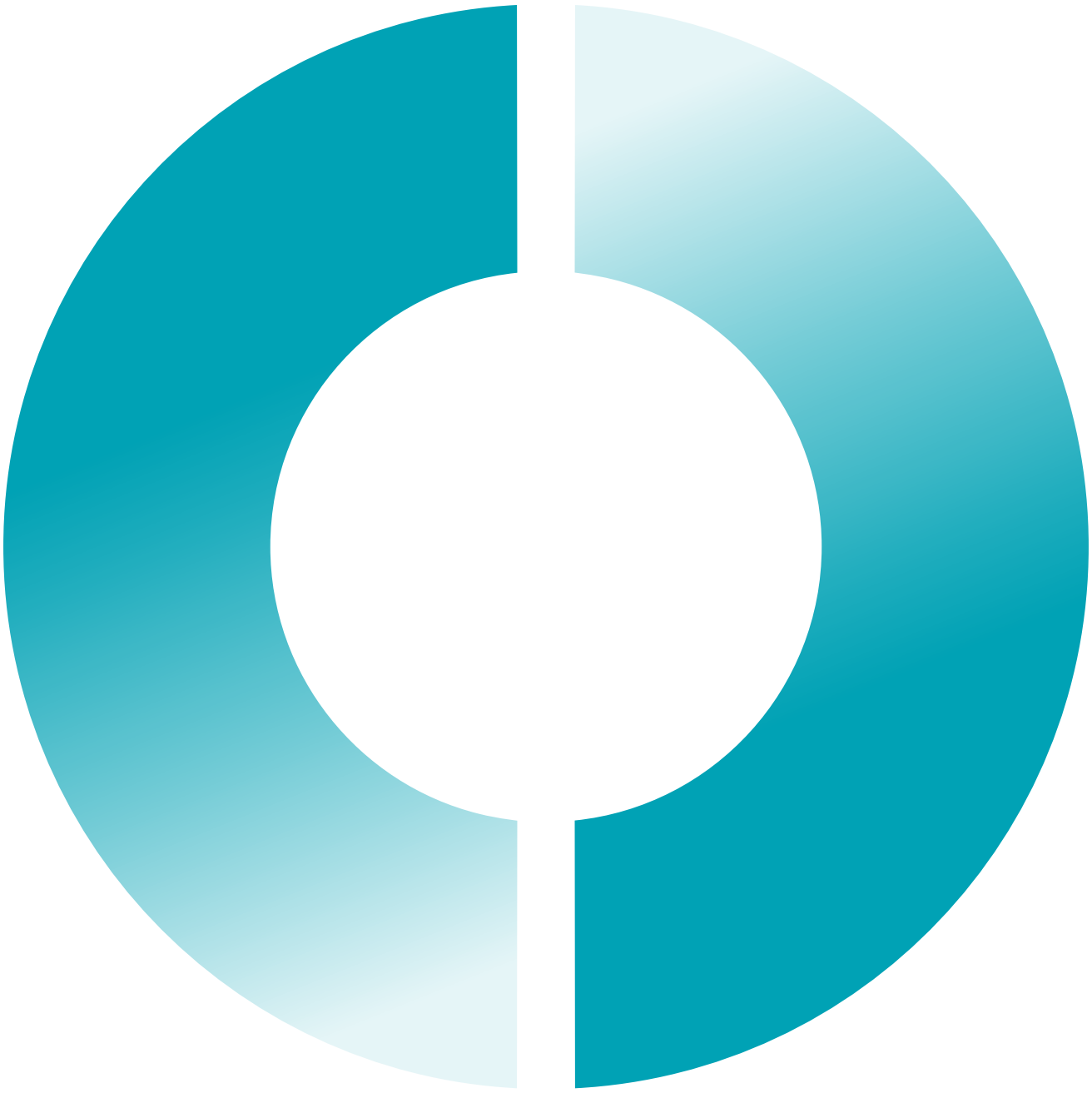
Schroder Unit Trusts Limited

Prospectus

25 August 2026



UCITS Authorised Unit Trusts

Schroders

Schroder Unit Trusts Limited
UCITS Authorised Unit Trusts

Prospectus

25 August 2026

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 25 August 2026.

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 You should check that you are reading the most recently published prospectus as you are not able to rely on an out-of-date version.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 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 that we use

To keep this document simple, we have tried to avoid using 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 2399**

By clicking on 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?

All 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. 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:

Trustee	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
Fund administrator and fund accountant	JPMorgan Chase Bank N.A., London Branch	The fund administrator and accountant looks after the administration of the Funds, which includes fund accounting, valuation and pricing
Transfer agent	HSBC Bank plc	The transfer agent provides us with record keeping services, including assisting us with maintaining the register of investors for the Funds
Investment managers	Schroder Investment Management Limited Schroder Investment Management (Hong Kong) Limited Schroder Investment Management (Japan) Limited Schroder Investment Management North America Inc. Schroder Investment Management (Singapore) Limited Schroder & Co. Limited	The investment managers carry out the investment management of the Funds in accordance with the investment objectives and policy of each Fund We, and each of the investment managers, are subsidiary companies of Schroders plc The relevant investment manager for each Fund is named in the entry for that Fund in **Appendix 1**

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 provides 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?

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.

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 statement of compensation rights can be found at
www.fscs.org.uk/.

Funds covered by this prospectus

This prospectus relates to the following Funds:

Fund	Date authorised	FCA Product Reference Number
Amalfie Fund [1]	17/11/1994	170749
Schroder Asian Alpha Plus Fund	08/11/2007	473111
Schroder Asian Discovery Fund [2]	23/01/2012	573343
Schroder Asian Income Fund	08/01/1990	144961
Schroder Asian Income Maximiser	21/05/2010	521508
Schroder Digital Infrastructure Fund [3]	21/12/2010	535979
Schroder European Alpha Plus Fund	04/07/2003	225498
Schroder European Smaller Companies Fund	05/05/1989	143273
Schroder Gilt and Fixed Interest Fund	12/05/1989	143274
Schroder Global Cities Real Estate	16/09/2005	433312
Schroder Global Alpha Plus Fund *	30/03/2010	516883
Schroder Global Emerging Markets Fund	26/08/1993	163142
Schroder Global Equity Income Fund	23/02/2007	462470
Schroder Global Healthcare Fund	08/05/2000	191402
Schroder High Yield Opportunities Fund	17/01/2000	190765
Schroder Income Fund	29/04/1988	109439
Schroder Income Maximiser	01/09/2005	435499
Schroder Managed Balanced Fund	08/12/1997	185324
Schroder Managed Wealth Portfolio	06/08/1990	146630
Schroder Recovery Fund	29/04/1988	109448
Schroder Strategic Bond Fund	15/02/2012	574961
Schroder Sustainable Bond Fund [4]	09/10/1992	154448
Schroder Tokyo Fund	02/02/1989	142596
Schroder UK All Share Tracker Fund	09/04/2026	1054817
Schroder UK Alpha Plus Fund	06/06/2002	200093
Schroder UK Equity Fund *	29/04/1988	109454
Schroder UK Large Company Tracker Fund	09/04/2026	1054818
Schroder UK Mid 250 Fund	30/09/1999	190174
Schroder UK Smaller Companies Fund	29/04/1988	109451
Schroder US Equity Income Maximiser	22/02/2017	769360
Schroder US Mid Cap Fund	11/05/2001	195182
Schroder US Smaller Companies Fund	23/11/2001	144966
Schroder Advanced Beta Global Equity Low Volatility *	05/02/2016	729923
Schroder Advanced Beta Global Equity Quality *	05/02/2016	729922
Schroder Advanced Beta Global Equity Small & Mid Cap *	05/02/2016	729924
Schroder All Maturities Index Linked Bond *	18/03/1998	186012
Schroder All Maturities Corporate Bond Fund	31/01/2005	417609

[1] With effect from 27 June 2022, Schroder Institutional Growth Fund changed its name to Amalfie Fund.
[2] Schroder Small Cap Discovery Fund changed its name to Schroder Asian Discovery Fund as of 13 January 2023.
[3] Schroder Digital Infrastructure Fund was liquidated on 3 September 2025, and is now in wind-up.
* 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.
[4] Schroder Absolute Return Bond Fund changed its name to Schroder Sustainable Bond Fund, as of 21 February 2022.

Fund	Date authorised	FCA Product Reference Number
Schroder European Fund	29/04/1988	109436
Schroder Flexible Retirement Fund	03/06/2015	682674
Schroder Global Corporate Bond Managed Credit Component Fund	05/0220/16	729927
Schroder Global Diversified Income Fund [5]	14/06/2019	844279
Schroder QEP Global ex UK Core Fund [6]	05/02/2016	729921
Schroder Global Equity Fund	01/06/1988	141036
Schroder Global Sovereign Bond Tracker Component Fund	05/02/2016	729926
Schroder Global Sustainable Value Equity Fund	19/10/2005	438463
Schroder Institutional Pacific Fund	12/05/1989	143275
Schroder Institutional UK Smaller Companies Fund	29/04/1988	109457
Schroder Long Dated Corporate Bond Fund	31/01/2005	417607
Schroder Prime UK Equity Fund	21/04/1997	183104
Schroder QEP Global Active Value Fund	06/09/2005	436030
Schroder QEP Global Core Fund	11/04/1989	143271
Schroder QEP Global Emerging Markets Fund *	02/05/2014	616602
Schroder QEP US Core Fund	29/04/1988	109430
Schroder Sterling Broad Market Bond Fund	03/05/2005	429823
Schroder Sterling Short Term Bond Fund	05/09/2019	847820
Schroder Sustainable Multi-Factor Equity Fund	08/08/2018	811650
Schroder UK Multi-Factor Equity Component Fund	05/02/2016	729925

All Funds have been authorised by the FCA.

Valid as at (and dated): 25 August 2026

[5] Schroder Global Diversified Income was liquidated on 26 May 2026, and is now in wind-up.
[6] Schroder Global ex UK Equity Tracker Component Fund changed its name to Schroder QEP Global ex UK Core Fund as of 25 August 2026
* 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.

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Section 1

1. Overview of the funds

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

1.1. 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.

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 UCITS schemes. This means they follow a specific set of rules (originally set out in an EU directive known as the 'UCITS Directive') designed to protect consumers. A number of these rules relate to the administration of the Funds and the parties providing services to it, but they also establish the maximum investment powers that any Fund can use.

1.2. 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.

1.3. 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.

1.4. 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**

1.5. 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.

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

Unitholders are generally entitled (subject to certain restrictions, in particular as regards meeting the eligibility criteria) to convert all or part of their Units in a class in 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 these conversion and switching facilities and the restrictions are set out in **Paragraph K in Section 3**

1.6. 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.

1.7. 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 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
D Units	Available to distributors. Legal agreement setting out terms of investment required
I, I (GBP Hedged) Units	Available to all 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) Units	Available to distributors. Legal agreement setting out terms of investment required
Q, Q1, Q2, Q3, Q4, Q5, Q6, Q7, Q8, Q9 Units	Legal agreement setting out terms of investment required
Q, Q (Hedged) Units	Available to distributors. 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
X Units	Available to all investors. Management fee payable directly to Schroders; legal agreement setting out terms of investment required
Y Units	Available to distributors. Legal agreement setting out terms of investment required
Z, Z (Hedged) Units	Available to all investors

1.8. Currency hedged Unit classes

GBP 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

2. Management, administration and oversight

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

2.1. Manager

We (Schroder Unit Trusts Limited) are the manager of the Funds. Schroders is a limited company that was incorporated on 2nd April 2001 in England. It is authorised and regulated by the Financial Conduct Authority, 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 25 August 2026)"]

Howard Williams – Chair	Calum Thomson
Philip Middleton	Ravinder Singh Lamba
Erica Rendall	

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

Delegations

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.

2.2. 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 Investment Management (Japan) Limited

Schroder Investment Management (Japan) Limited is a company incorporated in Japan, whose registered office and principal place of business is 21st Floor Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan. Schroder Investment Management (Japan) Limited is regulated by the Financial Services Agency in Japan.

Schroder Investment Management (Hong Kong) Limited

Schroder Investment Management (Hong Kong) Limited is a company incorporated in Hong Kong whose registered office and principal place of business is Suites 3301, Level 33, Two Pacific Place, Queensway, Hong Kong. Schroder Investment Management (Hong Kong) Limited is authorised to conduct investment business by the Securities and Futures Commission of Hong Kong.

Schroder Investment Management North America Inc.

Schroder Investment Management North America Inc. is a company incorporated in Delaware, whose principal place of business is 7 Bryant Park, New York, NY 10018-3706, USA. Schroder Investment Management North America Inc. is a registered investment adviser with the Securities and Exchange Commission of the United States of America.

Schroder Investment Management (Singapore) Limited

Schroder Investment Management (Singapore) Limited is a company incorporated in Singapore whose registered office and principal place of business is 138 Market Street, #23-01Capita Green, Singapore 048946. Schroder Investment Management (Singapore) Limited is authorised to conduct investment business by the Monetary Authority of Singapore.

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 FCA 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 managers is terminable on two months' notice by each party thereto; without notice in the event of a material breach for 28 days or more by a party; 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 appoint sub-investment manager(s) to assist them. The fees payable to a sub-investment manager will be paid by the relevant investment manager.

2.3. 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 may, subject to certain conditions and in order to more efficiently conduct its duties, delegate part or all of its safekeeping duties.

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 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.

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** 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 – Fees and Expenses** for more details on the fees, charges and expenses payable to the trustee.

2.4. Administrator

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

2.5. 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.

2.6. Auditor

For all Funds except for Schroder Managed Wealth Portfolio, the auditor is KPMG LLP whose principal place of business is at 15 Canada Square, London, E14 5GL

For Schroder Managed Wealth Portfolio, the auditor is Ernst & Young LLP whose principal place of business is at 1 More London Place, London, SE1 2AF

2.7. 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 8HQ. Each register is kept and can be inspected by Unitholders at 8 Canada Square, London, E14 8HQ.

Section 3

3. 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.

3.1. 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 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.

3.2. 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 here 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.

3.3. Conditions

We have a general right to reject applications without giving a reason, subject to the Regulations. 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**. 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-financial crime 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.

3.4. 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.

3.5. 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.

3.6. 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

3.7. 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.

3.8. 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 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.

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.

3.9. 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.

3.10. 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.

3.11. 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 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 for each class of Units. 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 is labelled as 'Amendment') 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, or it is in a different currency). Therefore, if you are subject to United Kingdom taxation, this will usually not be a 'realisation' for the purposes of capital gains taxes.

3.12. Our powers to restrict buying, selling and exchanging Units

Deferred redemption

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.

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 impact

We can reject any application for the purchase, sale, 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, 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.

3.13. 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, redemption, switch and conversion 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**.

3.14. 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 Units 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.

3.15. Market timing policy and late trading policy

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).

3.16. 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 2022 to 31 December 2022. 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 to accurately predict whether dilution will occur at any future point in time. It is also not possible, based on historical information, 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.

Number of times dilution adjustment was applied in 2024

Fund	Number of times dilution adjustment was applied in 2024
Amalfie Fund [7]	0
Schroder All Maturities Corporate Bond Fund	7
Schroder Asian Alpha Plus Fund	1
Schroder Asian Discovery Fund [8]	4
Schroder Asian Income Fund	1
Schroder Asian Income Maximiser	8
Schroder European Fund	9
Schroder European Alpha Plus Fund	1
Schroder European Smaller Companies Fund	0
Schroder Flexible Retirement Fund	2
Schroder Gilt and Fixed Interest Fund	5
Schroder Global Cities Real Estate	3
Schroder Global Corporate Bond Component Managed Credit Fund	14
Schroder Global Emerging Markets Fund	13
Schroder QEP Global ex UK Core Fund [9]	3
Schroder Global Equity Fund	5
Schroder Global Equity Income Fund	6
Schroder Global Healthcare Fund	1
Schroder Global Sovereign Bond Tracker Component Fund	14

[7] With effect from 27 June 2022, Schroder Institutional Growth Fund changed its name to Amalfie Fund.
[8] Schroder Small Cap Discovery Fund changed its name to Schroder Asian Discovery Fund as of 13 January 2023.
[9] Schroder Global ex UK Equity Tracker Component Fund changed its name to Schroder QEP Global ex UK Core Fund as of 25 August 2026

Fund	Number of times dilution adjustment was applied in 2024
Schroder Global Sustainable Value Equity Fund	14
Schroder High Yield Opportunities Fund	5
Schroder Income Fund	1
Schroder Income Maximiser	0
Schroder Institutional Pacific Fund	11
Schroder Institutional UK Smaller Companies Fund	1
Schroder Long Dated Corporate Bond Fund	4
Schroder Managed Balanced Fund	0
Schroder Managed Wealth Portfolio	3
Schroder Prime UK Equity Fund	10
Schroder QEP Global Active Value Fund	9
Schroder QEP Global Core Fund	8
Schroder QEP US Core Fund	5
Schroder Recovery Fund	7
Schroder Sterling Broad Market Bond Fund	2
Schroder Sterling Short Term Bond Fund	7
Schroder Strategic Bond Fund	10
Schroder Sustainable Bond Fund [10]	4
Schroder Sustainable Multi-Factor Equity Fund	6
Schroder Tokyo Fund	5
Schroder UK All Share Tracker Fund	-
Schroder UK Alpha Plus Fund	0
Schroder UK Large Company Tracker Fund	-
Schroder UK Mid 250 Fund	1
Schroder UK Multi-Factor Equity Component Fund	6
Schroder UK Smaller Companies Fund	2
Schroder US Equity Income Maximiser	8
Schroder US Mid Cap Fund	4
Schroder US Smaller Companies Fund	1

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

Fund	Estimated dilution adjustment applicable to redemptions	Estimated dilution adjustment applicable to purchases
Amalfie Fund	0.05%	0.07%
Schroder All Maturities Corporate Bond Fund	0.20%	0.20%
Schroder Asian Alpha Plus Fund	0.27%	0.20%
Schroder Asian Discovery Fund	0.38%	0.28%
Schroder Asian Income Fund	0.26%	0.18%
Schroder Asian Income Maximiser	0.26%	0.18%

[10] Schroder Absolute Return Bond Fund changed its name to Schroder Sustainable Bond Fund, as of 21 February 2022.

Fund	Estimated dilution adjustment applicable to redemptions	Estimated dilution adjustment applicable to purchases
Schroder European Fund	0.07%	0.15%
Schroder European Alpha Plus Fund	0.06%	0.12%
Schroder European Smaller Companies Fund	0.19%	0.28%
Schroder Flexible Retirement Fund	0.01%	0.01%
Schroder Gilt and Fixed Interest Fund	0.04%	0.04%
Schroder Global Cities Real Estate	0.08%	0.11%
Schroder Global Corporate Bond Component Managed Credit Fund	0.10%	0.10%
Schroder Global Emerging Markets Fund	0.25%	0.17%
Schroder QEP Global ex UK Core Fund	0.03%	0.05%
Schroder Global Equity Fund	0.05%	0.09%
Schroder Global Equity Income Fund	0.08%	0.19%
Schroder Global Healthcare Fund	0.06%	0.10%
Schroder Global Sovereign Bond Tracker Component Fund	0.03%	0.03%
Schroder Global Sustainable Value Equity Fund	0.09%	0.25%
Schroder High Yield Opportunities Fund	0.34%	0.34%
Schroder Income Fund	0.07%	0.52%
Schroder Income Maximiser	0.08%	0.52%
Schroder Institutional Pacific Fund	0.13%	0.12%
Schroder Institutional UK Smaller Companies Fund	1.07%	1.37%
Schroder Long Dated Corporate Bond Fund	0.42%	0.42%
Schroder Managed Balanced Fund	0.01%	0.02%
Schroder Managed Wealth Portfolio	0.08%	0.10%
Schroder Prime UK Equity Fund	0.09%	0.50%
Schroder QEP Global Active Value Fund	0.10%	0.14%
Schroder QEP Global Core Fund	0.04%	0.06%
Schroder QEP US Core Fund	0.02%	0.02%
Schroder Recovery Fund	0.16%	0.60%
Schroder Sterling Broad Market Bond Fund	0.11%	0.11%
Schroder Sterling Short Term Bond Fund	0.05%	0.05%
Schroder Strategic Bond Fund	0.17%	0.17%
Schroder Sustainable Bond Fund	0.13%	0.13%
Schroder Sustainable Multi-Factor Equity Fund	0.07%	0.09%
Schroder Tokyo Fund	0.16%	0.16%
Schroder UK All Share Tracker Fund	-	-
Schroder UK Alpha Plus Fund	0.12%	0.56%
Schroder UK Large Company Tracker Fund	-	-
Schroder UK Mid 250 Fund	0.20%	0.62%
Schroder UK Multi-Factor Equity Component Fund	0.06%	0.44%
Schroder UK Smaller Companies Fund	1.16%	1.43%
Schroder US Equity Income Maximiser	0.02%	0.02%
Schroder US Mid Cap Fund	0.05%	0.05%
Schroder US Smaller Companies Fund	0.07%	0.07%

Section 4

4. Valuing and pricing the funds

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

4.1. 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 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).

4.2. Basis of valuation

The total value of the Fund will be the sum 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.

4.3. 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.

4.4. 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.

4.5. Publication of prices

The price of Units will be published daily on our website www.schroders.com/en-gb/uk Unitholders can also obtain up-to-date Fund prices free of charge by calling 0800 182 239 9. 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

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.

5.1. General

There are costs involved in running the Funds. We take a fee from the Funds for our services and to pay the other service 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 result in capital erosion or constrain capital growth.

5.2. 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 and we don't currently take an initial charge for any Fund.

5.3. Redemption charge

We can take a charge when you sell your Units, but we don't currently make any such charges.

5.4. Switching charge

We can take a charge when you switch your Units, but we don't currently make any such charges.

5.5. 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.

5.6. Costs and expenses included in the Schroders Annual Charge

The Schroders Annual Charge covers the following:

(A) our fees and expenses for carrying out the operation and management of the Funds

(B) 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)

(C) the fees and expenses payable to each investment manager

(D) 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

(E) any transfer agency fees including those of the transfer agent, HSBC Bank Plc

(F) 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

(G) 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) the fees and any proper expenses of legal advisers to the Funds and of conducting legal proceedings

(H) any costs arising in connection with the publication and dispatch of the price of Units

(I) costs and expenses in respect of the purchase and maintenance of insurance policies

(J) any fees incurred in respect of Unit class hedging

(K) all costs from dispatch of the half-yearly and other reports of the Funds

(L) costs of modifying or updating of the trust deeds and prospectus

(M) documentation costs and expenses, such as preparing, printing and distributing the prospectus and the Key Investor Information Document (KIID), as well as the annual reports of the Funds and any other documents made available to Unitholders

(N) costs of arranging and convening meetings of Unitholders

(O) costs of registration, publication of Unit prices, creation, conversion and cancellation of Unit classes

(P) the costs of the registrar and of establishing and maintaining the register and any sub-register

(Q) any costs incurred in collection, producing, distributing and dispatching income and other payments to Unitholders or any payments made in respect of the Funds

(R) costs and charges relating to banking and banking transactions (including the conversion of foreign currency, stock-lending and other permitted transactions)

(S) communications with any parties (including telex, facsimile, SWIFT and electronic mail)

(T) 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

(U) any sum due or payable by virtue of any provision of the Regulations

(V) any licensing and associated fees; and

(W) 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).

5.7. 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, D, I 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%.

Fund assets under management	Discounted Schroders Annual Charge for Share classes (Equity Funds)
Up to £1bn	0.00%
£1bn to £2bn	0.02%
£2bn to £3bn	0.04%
£3bn and above	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.

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 Share classes (Fixed Income & 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.

5.8. 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):

(A) 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

(B) ongoing costs incurred at Fund level by holding collective investment schemes and other investment vehicles not managed by a member of the Schroders group. Any such fees incurred in respect of investment in funds managed by us will be rebated to the relevant Fund

(C) any costs incurred in respect of dealings in derivatives

(D) 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

(E) taxation and duties payable in respect of the property of a Fund, the trust deed or the issue of Units

(F) liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances as set out in the relevant Regulations

(G) 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

(H) 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

(I) such other expenses as we think are properly payable out of a Fund's property; and

(J) value added tax payable on these expenses where appropriate

5.9. 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:

(A) dealings in the Units of a Fund

(B) any transaction in Fund property; or

(C) 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

6. Taxation

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

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.

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-paying 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 but after deducting allowable management expenses and the gross amount of 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.

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 the Funds are equity funds except for:

- Schroder All Maturities Corporate Bond Fund
- Schroder Flexible Retirement Fund
- Schroder Gilt and Fixed Interest Fund
- Schroder Global Corporate Bond Managed Credit Component Fund
- Schroder Global Diversified Income Fund
- Schroder Global Sovereign Bond Tracker Component Fund
- Schroder High Yield Opportunities Fund
- Schroder Long Dated Corporate Bond Fund
- Schroder Sterling Broad Market Bond Fund
- Schroder Sterling Short Term Bond Fund
- Schroder Strategic Bond Fund
- Schroder Sustainable Bond Fund

Income – Equity Funds

The 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 £1,000 of dividends received (or deemed to be received) by UK-resident individuals in a tax year 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.

Income – Bond Funds

The 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.

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).

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 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 ("AEOI") for international tax compliance (including the United States provisions commonly known as FATCA, the international 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.

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 the jurisdictions 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

7. 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.

7.1. 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.

7.2. 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.

7.3. 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 Funds 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.

Section 8

8. Accounting and reporting

This section provides details of the Funds' accounting practice.

8.1. 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.

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

9. Regulatory, policies and procedures

This section summarises some of our policies and processes and lets you know where you can find more information.

9.1. 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.

9.2. 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.

9.3. 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 Unitholder'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.

9.4. 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:

(B) for or on taking up employment outside India, or

(C) for carrying on outside India a business or vocation outside India, or

(D) for any other purpose, in such circumstances as would indicate his/her intention to stay outside India for an uncertain period;

(1) a person who has come to or stays in India, in either case, otherwise than:

(E) for or on taking up employment in India, or

(F) for carrying on in India a business or vocation in India, or

(G) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;

(H) any person or body corporate registered or incorporated in India

(I) an office, branch, or agency in India owned or controlled by a person resident outside India

(J) an office, branch, or agency outside India owned or controlled by a person resident in India.

9.5. 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

9.6. 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.

9.7. 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

9.8. 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.

9.9. Remuneration policy

We have established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total

remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on our risk profiles, that:

- are consistent with and promote sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profiles of the Funds; and
- are in line with our business strategy, objective values and interests and which do not interfere with our obligation to act in the best interests of the Funds

Schroders has an established Remuneration Committee consisting of independent non-executive directors of Schroders plc. The Committee met seven times during 2022. Their responsibilities include recommending to the board of Schroders plc the Schroders group policy on directors' remuneration, overseeing the remuneration governance framework and ensuring that remuneration arrangements are consistent with effective risk management. The role and activities of the Committee and their use of advisers are further detailed in the Remuneration Report and the Committee's Terms of Reference (both available on the Schroders group website – www.schroders.com/en-gb/uk).

We delegate responsibility for determining remuneration policy to the Remuneration Committee of Schroders plc. We define the objectives of each Fund we manage and monitor adherence to those objectives and conflict management. The Remuneration Committee receives reports from us regarding each Fund's objectives, risk limits and conflicts register and the performance against those measures. The Remuneration Committee receives reports on risk, legal and compliance matters from the heads of those areas in its consideration of compensation proposals, which provides an opportunity for any material concerns to be escalated.

A summary of our remuneration policy and related disclosures is at www.schroders.com/remuneration-disclosures. A paper copy is available free of charge upon request.

9.10. 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.

9.11. 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 (or 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.

Section 10

10. General information

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

10.1. Literature request

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

(A) this prospectus and the key investor information document (if applicable) for each Fund

(B) the trust deed by which each Fund is constituted and governed, as amended or supplemented; and

(C) 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.

10.2. Governing law

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.

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'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 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**.

Amalfie Fund [1] (PRN 170749)

Investment Objective

The Fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 2% per annum (after fees have been deducted) over a five to seven 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 its assets 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 asset worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate, infrastructure and commodities.

The Fund can invest up to 100% 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 may also invest in 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	17 November 1994
Classes of Units	I Accumulation I 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	30 June
Half-yearly accounting date	31 December
Income allocation dates	31 August and 28 February
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 equites, 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 3** 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 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 the investment manager and the 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 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: Credit risk Currency risk Counterparty risk

[1] With effect from 27 June 2022, Schroder Institutional Growth Fund changed its name to Amalfie Fund.

	Derivatives risk
	High yield bond risk
	IBOR risk
	Liquidity risk
	Market risk
	Operational risk
	Performance risk
	A full description of each of these risks can be found in **Appendix 3**.

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	0.48%	6.00%

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 All Maturities Corporate Bond Fund (PRN 417609)

Investment Objective

The Fund aims to provide capital growth and income in excess of the Bank of America Merrill Lynch Non-Gilts (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in fixed and floating rate investment grade securities, directly or indirectly through credit default swaps and credit default swap indices, (as measured by Standard & Poor's or any other equivalent credit rating agencies) denominated in sterling (or in other currencies and hedged back into sterling) and issued by companies worldwide.

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 may use leverage and take short positions.

Fund characteristics

Date of authorisation	31 January 2005
Classes of Units	A Accumulation and A Income I Accumulation and I Income Q9 Accumulation X 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	31 October
Half-yearly accounting date	30 April
Income allocation dates	31 December and 30 June
Profile of a typical investor	The Fund is a low-medium risk Fund aiming to provide income with some capital growth potential. 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 Bank of America Merrill Lynch Non-Gilts (Gross Total Return) 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 target benchmark has been selected because it is 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.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. The Fund employs the relative Value-at-Risk (VaR) approach to measure its global risk exposure.
VaR benchmark	Bank of America Merrill Lynch Sterling Non-Gilts (GBP) Index
Expected level of leverage	200% The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See **Appendix 2 Section 6:** 'Derivatives and forwards' for further information.
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.

Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital erosion risk – Currency risk – Counterparty risk – Credit risk – Derivatives risk – High yield bond risk – IBOR risk – Interest rate risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

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	1.11%	0.00%
I	£100,000	£20,000	£100,000	0.26%	0.00%
Q9	None	None	None	Up to 1%	
X	£100,000	£20,000	£100,000	0.01%	0.00%
Z	£50,000	£10,000	£50,000	0.56%	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 Asian Alpha Plus Fund (PRN 473111)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI AC Asia ex Japan (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of Asian companies, excluding Japan.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of Asian companies, excluding Japan.

'Alpha' Funds invest in companies in which the investment manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Fund benefits from the investment manager's established research capabilities in the Asia (excluding Japan) region that identifies companies with positive cash flow, balance-sheet strength and valuation support.

The Fund may invest directly in China H-Shares. The Fund may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

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).

Fund characteristics

Date of authorisation	8 November 2007
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation and Q Income Q1 Accumulation Q2 Accumulation S Income W Accumulation and W Income 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	30 June
Half-yearly accounting date	31 December
Income allocation date	31 August
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 MSCI AC Asia ex Japan (Net Total Return) index, and compared against the Investment Association Asia Pacific ex Japan 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Currency risk

- Counterparty risk
- Derivatives risk
- Emerging markets and frontier risk
- Higher volatility risk
- IBOR risk
- Liquidity risk
- Market risk
- Operational risk
- Performance risk
- Stock connect risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.69%	0.00%
L	None	None	None	Up to 1.00%	0.00%
Q	None	None	None	Up to 1.00%	0.00%
Q1	None	None	None	0.45%	0.00%
Q2	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
W	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.94%	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 Asian Discovery Fund [1] (PRN 573343)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI AC Asia ex Japan Small Mid Cap (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small and mid cap Asian companies (excluding Japan).

Investment Policy

The Fund is actively managed and invests:

- at least 80% of its assets in equity and equity related securities of Asian (excluding Japan) companies; and
- at least 80% of its assets in equities of small and mid cap companies. Small and mid cap companies are those that, at the time of purchase, are similar in size to those comprising the MSCI AC Asia ex Japan Small Mid Cap (Net Total Return) index.

As a result, the Fund will (a) have a maximum exposure of 20% to non-Asian (ex Japan) companies; and (b) have a maximum exposure of 20% to non-small or mid cap companies (as defined above).

The small and mid cap universe is an extensive, diverse and constantly changing area of Asian markets. Small and mid cap companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies.

The Fund may invest directly in China H-Shares. The Fund may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext

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 and managing the fund more efficiently (for more information please refer to section 6 of Appendix 2 of the Prospectus).

Fund characteristics

Date of authorisation	23 January 2012
Classes of Units	A Accumulation and A Income L Accumulation and L Income S 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	15 April
Half-yearly accounting date	15 October
Income allocation date	15 June
Profile of a typical investor	The Fund may be suitable for investors who are seeking long-term returns offered through investment in equities. Investors 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 MSCI AC Asia ex Japan Small Mid Cap (Net Total Return) and compared against the Investment Association Asia Pacific ex Japan sector. 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 target benchmark has been selected because it is 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. The comparator benchmark has been selected because the Investment Manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk

[1] Schroder Small Cap Discovery Fund changed its name to Schroder Asian Discovery Fund as of 13 January 2023.

- Currency risk
- Derivatives risk
- Emerging markets & frontier risk
- IBOR risk
- Liquidity risk
- Market risk
- Operational risk
- Performance risk
- Smaller companies risk
- Stock connect risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.70%	0.00%
L	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.95%	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 Asian Income Fund (PRN 144961)

Investment Objective

The Fund aims to provide income and capital growth in excess of the MSCI AC Pacific ex Japan (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of Asia Pacific companies excluding Japan but including Australia and New Zealand.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of Asia Pacific companies, excluding Japan but including Australia and New Zealand, which offer dividend payments.

The Fund may invest directly in China H-Shares. The Fund may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

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 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	8 January 1990
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation and Q Income S Income W Accumulation and W Income 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	15 January
Half-yearly accounting date	15 July
Income allocation dates	15 March and 15 September
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. 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 MSCI AC Pacific ex Japan (Net Total Return) index, and compared against the Investment Association Asia Pacific ex Japan sector average return. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of this benchmark.
Benchmark selection	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital erosion risk – Currency risk

- Counterparty risk
- Currency risk/hedged unit class risk
- Derivatives risk
- Emerging markets & frontier risk
- IBOR risk
- Liquidity risk
- Market risk
- Operational risk
- Performance risk
- Stock connect risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.67%	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%
W	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.92%	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 Asian Income Maximiser (PRN 521508)

Investment Objective

The Fund aims to provide income and capital growth by investing in equity and equity related securities of Asia Pacific companies, excluding Japan but including Australia and New Zealand. The Fund aims to deliver an income of 7% per year but 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 equity and equity related securities of Asia Pacific companies, excluding Japan but including Australia and New Zealand, which are selected for their long term income and capital growth potential.

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 invest directly in China H-Shares. The Fund may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

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 will typically underperform a similar portfolio without derivatives in periods when the underlying stock prices are rising and has the potential to outperform when the underlying stock prices are falling.

Fund characteristics

Date of authorisation	21 May 2010
Classes of Units	A Accumulation and A Income L Accumulation and L Income S Income 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	31 December
Half-yearly accounting date	30 June
Other accounting dates	31 March and 30 September
Income allocation dates	28 February, 31 May, 31 August and 30 November
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. 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 the income target of 7% per year, and compared against the MSCI AC Pacific ex Japan (Net Total Return) index and the Investment Association Asia Pacific ex Japan sector average return.
Benchmark selection	The income target has been selected because the investment manager deploys strategies that aim to deliver the level of income stated in the investment objective. The comparator benchmarks have been selected because the investment manager and the manager believe that these benchmarks are 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.
Schroders Annual Charge being charged wholly to capital	As a result of all charges 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are:

- Capital erosion risk
- Capital risk/distribution policy risk
- Counterparty risk
- Currency risk
- Derivatives risk
- Emerging markets & frontier risk
- IBOR risk
- Liquidity risk
- Market risk
- Maximiser funds risk
- Operational risk
- Performance risk
- Stock connect risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.65%	0.00%
L	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.90%	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 Digital Infrastructure Fund [1] (PRN 535979)

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which help to advance the development of the global digital infrastructure and which meet the investment manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of companies worldwide (including emerging markets and less developed markets), which contribute towards more environmentally resilient, socially inclusive and/or innovative digital infrastructure (please see the Sustainability Criteria section for more details).

The Fund typically holds 25 to 70 companies.

The Fund does not directly invest in certain activities, industries or groups of issuers above set, such as companies that generate revenue above a maximum level from alcohol, tobacco or gambling. Full details of excluded areas of investment and the relevant thresholds are set out under 'Sustainability Information' on the Fund's webpage, accessed via https://www.schroders.com/en-gb/uk/individual/fund-centre/.

The investment manager may also engage with selected companies held by the Fund on sustainability issues.

The Fund may also invest directly or indirectly in other securities (including 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 reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).

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 product does not have a UK sustainable investment label (a Sustainability Label). Although this Fund has some sustainable features, it does not have a label because it does not aim to achieve one of the sustainability goals associated with the labels.

What sustainability characteristics does the investment manager look for when selecting investments?

This section explains what sustainability criteria the investment manager applies when choosing investments for the Fund.

The investment manager carries out analysis using a systematic model to assess a company's revenue alignment with United Nations Sustainable Development Goal (UN SDG) 9 (Industry, Innovation and Infrastructure), seeking a minimum revenue alignment of 20%.

The investment manager then conducts a qualitative assessment to determine alignment with the digital infrastructure theme, scoring companies based on the three most relevant UN SDG 9 targets: ability to (1) develop quality, reliable, sustainable and resilient infrastructure; (2) promote inclusive and sustainable industrialisation; and (3) increase access to information and communications technology.

Further sustainability analysis using a proprietary tool which rates a company based on its treatment of key stakeholders, including communities and the environment. This tool aggregates ESG metrics from ESG data providers to produce a single overall ESG score for each company. Examples of indicators assessed include: carbon intensity; emissions reduction targets and percentage of waste recycled; board gender inequality percentage; board independence and board experience; community donations, employee voluntary work and human rights policy.

Companies are given an ESG score out of 100 by the tool. Companies that score less than 25/100 are not eligible for investment.

The ESG score is then divided by 10 to give the company a score out of 10. This score determines the indicative maximum percentage that can be invested in a company, up to a maximum of 8%. For example, the median company would receive an ESG score of 5/10, which would mean the Fund can invest a maximum of 50% of the 8% maximum holding (4%). However, the investment manager will qualitatively assess the weighting of individual companies selected for the portfolio, and may not allocate up to the indicative maximum holding determine by the score.

The investment manager may also engage with companies in the portfolio with respect to their commitment to sustainability both in their relationships with stakeholders and in their efforts to mitigate their negative effects on the natural environment.

Does the investment manager use any sustainability metrics to measure whether the Fund is meeting it sustainability criteria?

The investment manager may use specific metrics to assess whether the Fund is meeting its sustainability criteria, or that an investor may find useful in understanding the sustainability performance of the Fund. This section sets out those metrics, if any.

The investment manager uses the metrics below to assess whether the Fund is meeting its sustainability criteria over the previous reporting period."]

[1] Schroder Digital Infrastructure Fund was liquidated on 3 September 2025 and is now in wind-up.

Metric	Purpose
Overall percentage of the fund that achieves at least a 20% revenue alignment to UN SDG 9 over the reporting period	This metric illustrates the overall percentage of the Fund's portfolio that has at least 20% revenue alignment with UN SDG 9. This is assessed based on a revenue alignment percentage threshold, as described under *What sustainability characteristics does the investment manager look for when selecting investments?* above. The investment manager calculates the revenue alignment of companies in the Fund to arrive at the total Fund percentage.

Fund characteristics

Date of authorisation	21 December 2010
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q1 Accumulation and Q1 Income S Accumulation X Income 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	30 April
Half-yearly accounting date	31 October
Income allocation date	30 June
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with achieving a capital growth through investment in equity securities. 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 does not have a target benchmark. The Fund's performance should be compared against the MSCI All Country World (Net Total Return) index.
Benchmark selection	The comparator benchmark has been selected because the investment manager believes that the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk – Emerging markets & frontier risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk – Real estate and property risk – Sustainable investing Risk A full description of each of these risks can be found in **Appendix 3**.

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	1.70%	0.00%
L	None	None	None	Up to 1.00%	0.00%
Q1	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	0.05%	0.00%
Z	£50,000	£10,000	£50,000	0.95%	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 European Fund (PRN 109436)

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE World Series Europe ex UK (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 European companies, excluding the UK.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of large and mid-sized European companies, excluding the UK. These are companies that, at the time of purchase, are considered to be in the top 90% by market capitalisation of the European equities market.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries (including the UK), 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 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	29 April 1988
Classes of Units	A Accumulation and A Income I Accumulation and I Income L Accumulation and L Income Q Euro Accumulation Q GBP Accumulation and Q GBP Income Q9 Accumulation S Income X Accumulation Z Accumulation and Z Income GBP Hedged A Accumulation and GBP Hedged A Income GBP Hedged Z Accumulation and GBP Hedged 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	15 January
Half-yearly accounting date	15 July
Income allocation date	15 March
Profile of a typical investor	The Fund is a medium risk Fund aiming to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in equities. 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 FTSE World Series Europe ex UK (Gross Total Return) index, and compared against the Investment Association Europe ex UK 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: Counterparty risk Currency risk Currency risk/hedged unit class risk

	Derivatives risk IBOR risk Liquidity risk Market risk Operational risk Performance risk A full description of each of these risks can be found in **Appendix 3**.

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	1.61%	0.00%
A (Hedged)	£1,000 or £50 per month under regular savings plan	£500	£1,000	1.70%	0.00%
I	£1,000,000	£20,000	£1,000,000	0.77%	0.00%
L	None	None	None	Up to 1.00%	0.00%
Q	None	None	None	Up to 1.00%	0.00%
Q9	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
X	£1,000,000	£100,000	£1,000,000	Up to 0.06%	0.00%
Z	£50,000	£10,000	£50,000	0.92%	0.00%
Z (Hedged)	£50,000	£10,000	£50,000	0.95%	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 European Alpha Plus Fund (PRN 225498)

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE World Series Europe ex UK (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 European companies, excluding the UK.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of European countries, excluding the UK. The Fund typically holds 35 to 60 companies.

'Alpha' funds invest in companies in which the investment manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries (including the UK), 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 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	4 July 2003
Classes of Units	A Accumulation and A Income L Accumulation and L Income S Income Z Accumulation and Z Income GBP Hedged A Accumulation and GBP Hedged A Income GBP Hedged Z Accumulation and GBP Hedged 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	15 March
Half-yearly accounting date	15 September
Income allocation date	15 May
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 FTSE World Series Europe ex UK (Gross Total Return) index, and compared against the Investment Association Europe ex UK 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Currency risk/hedged unit class risk – Derivatives risk – IBOR risk – Liquidity risk – Market risk – Operational risk

– Performance risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.70%	0.00%
A (Hedged)	£1,000 or £50 per month under regular savings plan	£500	£1,000	1.73%	0.00%
L	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.95%	0.00%
Z (Hedged)	£50,000	£10,000	£50,000	0.98%	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 European Smaller Companies Fund (PRN 143273)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Europe ex UK Small Cap (Net Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small-sized European companies, excluding the UK.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized European companies, excluding the UK. These are companies that, at the time of purchase, are similar in size to those comprising the bottom 30% by market capitalisation of the European equity market, excluding the UK.

The Fund may also invest in European companies headquartered or quoted outside Europe which derive a significant proportion of their revenues or profits from Europe.

The small cap universe is an extensive, diverse and constantly changing area of the European market. Smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They also tend to grow more rapidly than larger firms.

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 reducing risk and 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 May 1989
Classes of Units	A Accumulation and A Income 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	30 November
Half-yearly accounting date	31 May
Income allocation date	31 January
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 MSCI Europe ex UK Small Cap (Net Return) index, and compared against the Investment Association European Smaller Companies 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk – IBOR risk

	– Liquidity risk – Market risk – Operational risk – Performance risk – Smaller companies risk A full description of each of these risks can be found in **Appendix 3**.

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	1.69%	0.00%
Z	£50,000	£10,000	£50,000	0.94%	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 Flexible Retirement Fund (PRN 682674)

Investment Objective

The Fund aims to provide capital growth in line with the ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum (before fees have been deducted *) over a three to five year period whilst also seeking to mitigate the risk of incurring a loss greater than 8% over any investment period. This cannot be guaranteed and your capital is at risk. The Fund seeks to achieve its objective by investing in a diversified range of assets and markets worldwide.

Investment Policy

The Fund is actively managed and allocates directly or indirectly (through collective investment schemes (including Schroder funds), exchange traded funds, structured investments or derivatives) between:

(A) equities and equity related securities

(B) bonds and other fixed or floating rate securities issued by governments, government agencies, supra-national or corporate issuers

(C) alternative asset classes (such as commodities); and

(D) cash, deposits and money market funds

The Fund may use derivative instruments such as interest rate swaps, credit default swaps, total return swaps, futures or forwards for investment purposes (including for hedging) as well as for efficient management (for more information please refer to section 6 of Appendix 2 of the prospectus). The Fund's risk management process may result in greater allocations to cash, deposits and/or money market funds at times of market stress.

Fund characteristics

Date of authorisation	3 June 2015
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
Annual accounting date	20 July
Half-yearly accounting date	20 January
Income allocation date	20 September
Profile of a typical investor	The Fund is a medium risk Fund aiming to provide capital growth. It may be suitable for investors who are seeking capital growth opportunities whilst also mitigating the risk of incurring a loss greater than 8% over any investment period. It may be suitable for investors who are members of a defined contribution pension plan who wish to have flexibility to take their pension savings as a single lump sum or who wish to drawdown their savings over a period of time. 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 of the ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum.
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.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. The Fund employs an absolute Value-at-Risk (VaR) approach to measure its global risk exposure.
VaR benchmark	The Fund uses Absolute VaR.
Expected level of leverage	130% The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See **Appendix 2 Section 6:** 'Derivatives and forwards' for further information.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Issuer Concentration	The Fund is permitted to invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State/governments of the following countries: United Kingdom

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

Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Credit risk – Derivatives risk – IBOR risk – Liquidity risk – Market risk – No capital guarantee risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.
Total Return Swaps	The Fund will 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 130% and is expected to remain within the range of 0% to 50% 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	£100,000	£20,000	£100,000	0.30%	0.00%
X	£100,000	£20,000	£100,000	0.02%	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 Gilt and Fixed Interest Fund (PRN 143274)

Investment Objective

The Fund aims to provide income and capital growth in excess of the FTSE Gilts All Stocks index (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by governments worldwide.

Investment Policy

The Fund is actively managed and invests at least 95% of its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies and supra-nationals worldwide. The Fund invests at least 80% of its assets in fixed and floating rate securities issued by the UK government.

The Fund may also invest directly or indirectly in securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds) 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 may use leverage and take short positions

Fund characteristics

Date of authorisation	12 May 1989
Classes of Units	A Accumulation and A Income Q9 Accumulation X Accumulation and X Income 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	31 August
Half-yearly accounting date	28 February
Income allocation dates	31 October and 30 April
Profile of a typical investor	The Fund is a low risk Fund aiming to provide income with some capital growth potential. 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 FTSE Gilts All Stocks index, and compared against the Investment Association UK Gilts 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. The Fund employs the relative Value-at-Risk (VaR) approach to measure its global risk exposure.
VaR benchmark	FTSE UK Gilts ALL Index
Expected level of leverage	200% The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See **Appendix 2 Section 6:** 'Derivatives and forwards' for further information.
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.
Issuer concentration	The Fund is permitted to invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State/governments of the following countries: United Kingdom
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital erosion risk – Capital risk/negative yields risk – Counterparty risk – Credit risk – Currency risk – Derivatives risk – IBOR risk – Interest rate risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

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	0.58%	0.00%
Q9	None	None	None	None	0.00%
X	£25,000,000	£10,000,000	£25,000,000	0.03%	0.00%
Z	£50,000	£10,000	£50,000	0.35%	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 Global Cities Real Estate (PRN 433312)

Investment Objective

The Fund aims to provide income and capital growth in excess of the FTSE EPRA NAREIT Developed TR GBP (Net) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of sustainable real estate companies worldwide that own assets in global cities. Sustainable real estate companies contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently. Companies can demonstrate this by prioritising initiatives such as renewable energy; energy efficiency; greenhouse gas (GHG) emissions reduction; effective water management; waste minimisation; responsible tenant and community engagement; setting sustainability targets; and managing their business in a sustainable way.

Investment Policy

The Fund is actively managed and invests at least 90% of its assets in equity and equity related securities of sustainable real estate companies worldwide which generate the majority of their earnings from real estate investment related activities and own assets in global cities. These are cities that have positive characteristics such as economic strength; strong transport infrastructure; high quality educational institutions; and an innovative business community, based on the investment manager's assessment.

Sustainable real estate companies contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently. A company can demonstrate its contribution to the development of these environments through meeting or exceeding the threshold for the 'Green Star' designation issued by GRESB[1], which is achieved by scoring at least 50% on both the performance and management components of the GRESB scorecard (the "Scorecard"). The Scorecard assesses a real estate company across the following factors:

- Performance
- Energy – includes total energy consumption and renewable energy generated.
- GHG emissions - includes total GHG emissions.
- Water – includes water consumption and reuse or recycling of water.
- Waste – includes total waste generation.
- Tenant and community wellbeing – includes tenant engagement programmes; community engagement programmes; and tenant health and wellbeing measures.
- Building certification – includes green building certifications at the time of design, construction or renovation; current green building certifications; and current energy efficiency certifications.
- Sustainability risk management – includes performance of environment/social risk assessments; technical building assessments for energy/ water/ waste; and energy/ water/ waste efficiency measures implemented.
- Sustainability data – includes confirmation of whether data on GHG emissions, water and waste has been independently verified.
- Sustainability targets – includes long-term sustainability improvement targets and GHG reduction targets.
- Management
- Leadership – includes public commitments to ESG leadership standards, ESG personnel and accountability.
- Policies – includes policies on specific ESG issues.
- Reporting – includes disclosures of ESG-related actions, performance, and incident monitoring.
- Risk management – includes ESG-specific risk management systems, policies and procedures.
- Stakeholder engagement – includes employee, supplier and contractor ESG-related initiatives and monitoring.

In exceptional cases where the investment manager deems that the Scorecard does not provide a fair reflection of a company's sustainability, or where GRESB has not assessed a company, the investment manager can refer the company 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 was available within the Scorecard, the company would achieve a score of at least 50% on both components. This could be relevant where the Scorecard does not capture a relevant area of contribution – such as where the investment manager believes that a smaller company has strong sustainability credentials, but it does not submit data to GRESB due to resource constraints and therefore is not scored.

Please see "What is the investment manager's approach to sustainability?" below for more details on how the investment manager assesses sustainability and why it has determined that this approach is an appropriate way to identify companies that are sustainable.

The Fund is not permitted to invest in any assets 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 companies 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.

The Fund may invest in real estate investment trusts. The Fund may also invest in collective investment schemes (including Schroder funds) that invest in money market instruments; warrants; and may hold cash.

The Fund may use derivatives with the aim of reducing risk and to manage the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).

Further Information

The Fund does not currently use derivatives to achieve investment gains. If the manager decides to use derivatives this way, this may result in a more volatile Unit price and so

result in a higher degree of market risk, therefore the manager will give registered Unitholders appropriate notice if it decides to do so.

Sustainability Criteria

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

A. 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.

B. 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 sustainable real estate companies that own assets in global cities. Sustainable real estate companies contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently. Companies can demonstrate this by prioritising initiatives such as renewable energy; energy efficiency; greenhouse gas (GHG) emissions reduction; effective water management; waste minimisation; and responsible tenant and community engagement; setting sustainability targets; and managing their business in a sustainable way.

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

Over 200 million people live in the top 30 global cities, as assessed by the investment manager's Global Cities Index.[2] Considering this, real estate companies that contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently are likely to positively affect the health and wellbeing of a significant portion of the world's population. By investing in companies that are assessed as contributing to such urban environments, the Fund aims to help them continue to implement (and potentially expand) their sustainable activities.

The Fund's holdings in such companies may also allow the investment manager, through engagement with management teams, to encourage companies to enhance their sustainability credentials further (as assessed by the Scorecard). 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.

C. 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 sustainable companies?

A fund using a Sustainability Focus 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 is classified as contributing to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently if it (i) achieves a score of at least 50% on both components of the Scorecard (and thereby achieves the threshold for GRESB's Green Star designation); or (ii) the Panel determines that the company would achieve a score of at least 50% on each component if additional robust evidence was available within the Scorecard and included in the calculation of the score. 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, and they have deemed this approach to be a robust, evidence-based standard that is an absolute measure of environmental and/or social sustainability.

What is the Scorecard?

Each proposed investment is assessed against a scorecard developed by GRESB – an organisation that specialises in providing real asset sustainability information to investors. Full details of the Scorecard can be found at https://documents.gresb.com/generated_files/real_estate/2024/real_estate/scoring_document/complete.html. GRESB scores individual real estate companies based on the factors below, which are used to assess how the real estate assets in the company's portfolio perform across a range of sustainability matters. GRESB collects data at the building (asset) level, which is then aggregated to the company or portfolio level, typically proportionally based on factors such as each building's square footage. Participating companies provide data to GRESB either automatically through their data management systems—integrated with building smart meters—or manually. GRESB may update the Scorecard periodically and the investment manager will update the summary below within a reasonable timeframe following any such updates.

Performance Component

Factor	% of Performance Component
Energy	20%
GHG Emissions	10%
Water	10%
Waste	6%
Tenants & Communities	16%
Building certification	15%
Sustainability risk assessment	13%
Sustainability data	8%
Sustainability targets	3%

Management Component

Factor	% of Management component
Leadership	23%
Policies	15%
Reporting	13%
Risk management	16%
Stakeholder Engagement	33%

Each factor in the Scorecard is assigned a weighting by GRESB, reflecting its materiality. This weighting is based on GRESB's expertise in sustainability data provision, considering the feasibility of the topic, the maturity level of the industry, and whether the indicators are effort- or outcome-based. The overall relevance of each topic is also assessed. Weightings are reviewed (and adjusted, if appropriate) annually by GRESB to align with evolving industry practices and standards.

If a company scores at least 50% of the maximum possible score in both components, the investment manager determines that it is sustainable for the following reasons:

- **Industry-recognised designation** - the 50% threshold across the two components is aligned with the 'Green Star' designation awarded by GRESB - https://www.gresb.com/nl-en/faq/what-is-a-green-star/. The design of the scoring system, including the factor weightings, ensures that companies achieving this level demonstrate a robust positive contribution to some or all of the key initiatives identified in the sustainability objective. The manager has aligned with the GRESB 'Green Star' designation because it regards this designation as an independent, industry-recognised assessment of high standards of social and environmental performance for real estate companies, which maps to the Fund's sustainability objective.
- **Systematic** - using a scorecard provides a standardised, quantitative, measurable and data-based indicator of a company's commitment to activities that are deemed to help contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently. This enables the investment manager to form a robust and objective view of whether a company is contributing to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently.
- **Breadth of data** – the Scorecard takes into account a wide range of factors and data relevant to the real estate sector to produce two sustainability scores for each company.
- **Data quality** - a three-layer data-quality control process ensures the submission of high-quality information to GRESB. The validation approach, developed by a leading global accountancy firm, involves additional third-party verification by a specialist sustainability assurance company.
- **Adaptive** - the Scorecard is reviewed and updated by GRESB on an ongoing basis to take into account changes and improvement in sustainable practices.
- **Independence** - GRESB operates independently from the investment manager and, as such, the investment manager has no influence or control over how it structures the Scorecard. This underscores the impartiality of GRESB.
- **Panel exceptions process** - the Panel review process described below gives the investment manager the flexibility to seek approval for companies where standard data limitations mean that relevant evidence is not taken into account. This means that legitimately sustainable companies are not excluded because they fail a systematic test. Evidence approved via the Panel is reviewed against a standard framework, in order to maintain a consistent process across companies. The framework does not vary based on the type of company, even though the evidence submitted may be different.

What is the Panel?

In some cases, the Scorecard does not provide a full reflection of a company's sustainability. This could be relevant where:

- **the Scorecard calculations do not capture a relevant area of contribution** – for example, a company that owns highly efficient data centres running on renewable power can contribute positively to the environment by avoiding emissions. This is because the alternative would be less efficient data centres powered by fossil fuels or even less efficient on-premises computing. However, GRESB's methodology doesn't capture avoided emissions as it prioritises actual, verifiable data (rather than hypothetical data) despite avoided emissions being a widely recognised indicator of sustainability. In this case, the investment manager would apply an adjustment to the company's total GHG emissions in line with the emissions avoided.
- **the Scorecard's calculation uses estimated data that does not reflect the company's contribution** – for example, in the case of self-storage real estate companies, water and waste emissions are negligible. Consequently, these entities may not disclose water and waste emission data publicly meaning they are marked down in the Scorecard. Here the investment manager would seek water and waste emissions data directly from the company to calculate a more accurate assessment of its sustainability profile.

The investment manager can refer such companies to the Panel. The Panel reviews additional robust evidence provided by the investment manager to determine whether, if such evidence was available within the Scorecard calculations, the company would achieve a score of at least 50% on each component. The Panel uses a standard framework to assess all evidence submitted, in order to maintain a consistent and systematic review process. The framework is designed to assess evidence submitted based on the following:

- Is the reason for the proposed adjustment to the score clear and valid?
- Is the data provided by the investment manager robust and evidence based?

– Based on the adjustment, does the company clearly meet or exceed the 50% thresholds for both components?

The Panel comprises sustainability specialists from Schroders' Sustainable Investment team and senior representatives from Schroders' Legal, Investment Risk and Compliance teams. Panel members advise the Panel Chair (the Global Head of Sustainable Investment) on whether to approve or reject investments for categorisation as sustainable investments. Panel members from the Sustainable Investment team have voting rights on which recommendation to give to the Panel Chair. Their role is to assess the sustainability credentials of the evidence submitted and to adjust the effective score in the Scorecard based on that evidence. A majority vote is required for a company to be recommended to the Chair 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 to ensure that the voting members have followed the correct procedure in reaching a recommendation and the evidence provided is drawn from robust sources. The Panel's decisions are documented and once a company has been approved as sustainable, this status is incorporated into portfolio compliance coding for the Fund. Once an individual company has been approved by the Panel, the ongoing contribution of that company is regularly reviewed by the investment manager to ensure that it remains aligned with the Panel's requirements.

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 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.

As the Fund aims to invest in companies that are classified as contributing to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently, the investment manager defines conflicting assets as companies which produce a disproportionately negative environmental or social effect on such urban environments. These could include, for example, companies that cause substantial environmental degradation as part of building development or have very poor labour practices or human rights violations. Such companies are identified using the following measures:

Area of harm	Threshold
Carbon Emissions	Companies with a carbon intensity (a measure of high carbon emissions) of more than 20,000 tonnes of CO2 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.
Severe biodiversity loss	Breach of Schroders' 'Global Norms' exclusions. Schroders' definition of Global Norms considers widely recognised principles such as the UNGC principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Fundamental Conventions. Schroders has created a proprietary framework to identify, assess and engage companies that we deem to have potentially breached Global Norms. The output of this framework is a 'Global Norms Breach List' comprised of companies that have: been identified as causing significant damage; not sufficiently addressed the issue in question through transparent communications and action; and not provided sufficient remedy for affected stakeholders. To identify Global Norms violators, the investment manager monitors ESG controversies through a number of sources, such as third party data providers, NGOs, industry reports and academic institutions.
Hazardous waste generation	
Complicity in severe human rights abuses and incidents	
Complicity in major corruption	

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 investing in companies with direct exposure above a defined level to certain harmful activities or products (such as fossil fuels, conventional and controversial weapons, tobacco, alcohol, gambling and adult entertainment).

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/.

D. What else might the Fund invest in?

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

The Fund invests at least 90% of its portfolio in companies that have been assessed as sustainable using the process outlined in "*How does the investment manager identify sustainable companies?*" above.

Outside of the minimum 90%, the Fund may also hold other assets that have not passed this assessment for liquidity or risk management 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). No

investment will be held if the Investment Manager determines that there would be a conflict with the Fund's sustainability objective.

E. 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 the way they are managed and/or the goods and services they sell, all companies have both negative and positive effects on society and the environment. Although the Fund aims to select companies that the investment manager deems to help contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently, such companies will still produce some negative outcomes for the environment and society in other areas. For example:

- Over-development of the urban environment leading to over-crowding/higher than desirable urban population densities.
- Misallocation of land towards land uses that might generate higher financial returns (industrial, lodging) and away from land uses that support the needs of the local community (residential, older care, retail).
- Possible impact on human rights, either directly through a company's operations, or indirectly through their supply chain.
- Possible mismanagement of company employees, such as through lower-than-expected pay for employees.
- Tenants operating in industries that cause significant environmental or social costs.

F. 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 focus may limit the Fund's exposure to some companies, industries or sectors. 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.

G. 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 90% of its portfolio in sustainable companies 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.

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 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 KPI aim to assess whether the Fund has invested in companies that the investment manager classified as contributing to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently over 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.

KPI	Purpose
Percentage of investments that are sustainable	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. For this Fund, at least 90% of its portfolio will be invested in sustainable companies. This KPI illustrates the actual percentage of the Fund made up of sustainable companies, as determined by the assessments described under "How does the investment manager identify sustainable companies?" above.
Investments that are classified as sustainable based on Panel review	As described above, where a company does not meet the threshold for the Green Star designation, the investment manager can ask the Panel to review additional evidence to determine whether, if such evidence was available to the Scorecard, the company would achieve a Green Star. This KPI illustrates the Fund's exposure to companies which achieved this status through this Panel process.

H. 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 companies held by the Fund to support the achievement of the Fund's sustainability objective. This means working with companies, where appropriate, to enhance their sustainability credentials, as defined and assessed by the Scorecard. For instance, this may include encouraging companies to provide better disclosure of energy emissions or, where companies have scored poorly on a particular factor, engaging with them to find out how they plan to improve their performance. The investment manager typically engages with companies around considerations such as:

- GHG/energy/water/waste emission reduction targets, and progress against those targets. Related engagement topics could include a focus on encouraging companies to improve disclosures, set targets and link renumeration to achievement of those targets.

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.
- 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 coordinated engagement and voting with other investment teams, asset managers or asset owners where the investment manager determines that this will have greater effect.

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 approach to stewardship is set out in its Engagement Blueprint, found here: https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf

I. What actions does the investment manager take if an investment ceases to be sustainable, or doesn't perform well enough against the KPIs?

This section explains what the next steps will be if a company ceases to be aligned with the sustainability objective or is not performing well enough against the KPIs.

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 classifies a company as 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 in the investment policy (provided it does not conflict with the sustainability objective). The investment manager may also engage with the company to obtain more information to inform its assessment and/or to encourage the company to address its concerns, with a view to the asset meeting the investment manager's criteria for sustainable investments again.

Fund characteristics

Date of authorisation	16 September 2005
Classes of Units	A Accumulation and A Income L Accumulation and L Income GBP Hedged L Accumulation and GBP Hedged L Income Q Accumulation and Q Income

	Q1 Accumulation and Q1 Income GBP Hedged Q Accumulation and GBP Hedged Q Income GBP Hedged Q1 Accumulation S Accumulation W Accumulation and W Income GBP Hedged W Accumulation and GBP Hedged W Income Z Accumulation and Z Income GBP Hedged 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	20 September
Half-yearly accounting date	20 March
Income allocation date	20 November
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide income and capital growth. 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 **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 FTSE EPRA NAREIT Developed TR GBP (Net) 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Currency risk – Currency Risk/hedged unit class risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk – Real Estate Property risk A full description of each of these risks can be found in **Appendix 3**.

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	1.67%	0.00%
L	None	None	None	Up to 1.00%	0.00%
L (GBP Hedged)	None	None	None	Up to 1.00%	0.00%
Q	None	None	None	Up to 1.00%	0.00%
Q1	None	None	None	0.35%	0.00%

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q (GBP Hedged)	None	None	None	Up to 1.00%	0.00%
Q1 (GBP Hedged)	None	None	None	0.39%	0.00%
S	None	None	None	Up to 1.00%	0.00%
W	None	None	None	0.60%	0.00%
W (GBP Hedged)	None	None	None	0.64%	0.00%
Z	£50,000	£10,000	£50,000	0.92%	0.00%
Z (GBP Hedged)	£50,000	£10,000	£50,000	0.95%	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 Global Corporate Bond Managed Credit Component Fund (PRN 729927)

Investment Objective

The Fund seeks to provide capital growth and income in line with the Bloomberg Barclays Global Aggregate Corporate hedged to GBP (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by non-governmental entities worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in a portfolio of investment grade fixed and floating rate securities (as measured by S&P as BBB- or higher, or an equivalent rating by any other equivalent rating agency). denominated in sterling (or in euros or US dollars and hedged back into sterling) and issued by non-governmental entities worldwide. The Investment Manager is limited to investing these assets in accordance with the composition of the Bloomberg Barclays Global Aggregate Corporate hedged to GBP (Gross Total Return) index but has the discretion to vary the weightings in the benchmark's securities.

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 also 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 February 2016
Classes of Units	I Accumulation Q9 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
Annual accounting date	5 July
Half-yearly accounting date	5 January
Income allocation date	5 September
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 with capital growth opportunities in the debt 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 (three to five years). Investors 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 constraining benchmark being the Bloomberg Barclays Global Aggregate Corporate hedged to GBP (Gross Total Return) index. In respect of the restriction in the Investment Policy to invest at least 80% of its assets in the specific asset classes stated, the investment manager is limited to investing these assets in accordance with the composition of the benchmark but has the discretion to vary the weightings in the benchmark's securities.
Benchmark selection	The constraining 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 and policy.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix under before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Credit risk – Derivatives risk – High yield bond risk – IBOR risk – Liquidity risk

– Interest rate risk
– Market risk
– Operational risk
– Performance risk

A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£1,000,000	£100,000	£1,000,000	0.17%	10.00%
Q9	None	None	None	Up to 1.00%	0.00%
X	£1,000,000	£100,000	£1,000,000	0.02%	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 Global Diversified Income Fund (PRN 844279) [1]

Investment Objective

The Fund aims to provide income of 3% to 5% per annum and capital growth (before fees have been deducted [*]) by investing in equity and equity related securities, fixed and floating rate securities and alternative assets 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 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 in real estate, commodities or private equity. The weightings of these holdings are adjusted in response to changing market conditions.

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

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes, 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	14 June 2019
Classes of Units	X Accumulation and X 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	5 July
Half-yearly accounting date	5 January
Other accounting dates	5 August, 5 September, 5 October, 5 November, 5 December, 5 February, 5 March, 5 April, 5 May, 5 June
Income allocation dates	5 September, 5 October, 5 November, 5 December, 5 January, 5 February, 5 March, 5 April, 5 May, 5 June, 5 July, 5 August
Profile of a typical investor	The Fund aims to provide income of 3% to 5% and capital growth (before fees). It may be suitable for investors who are seeking to combine income with some capital growth through investment in a diversified range of assets. 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 performance should be assessed against the income target of 3% to 5% per annum (before fees have been deducted), and compared against the composite benchmark: 30% MSCI AC World 100% hedged to GBP and 70% Barclays Global Aggregate Bond Index 100% hedged to GBP, and against the Investment Association Mixed Investment 20–60% Shares sector average return.
Benchmark selection	The income target has been selected because the investment manager deploys strategies that aim to deliver the level of income stated in the investment objective. The comparator benchmarks have 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 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 all charges 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.
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 an associate, the Schroders Annual Charge and administration charge (if any) paid by these funds to the manager will be rebated to the Fund.

[1] Schroder Global Diversified Income Fund was liquidated on 26 May 2026, and is now in wind-up.
[*] For the relevant fees of each unit class please visit the Schroder website https://www.schroders.com/en/uk/

Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital erosion risk – Counterparty risk – Currency risk – Credit risk – Derivatives risk – Emerging markets & frontier risk – High yield bond risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
X	£1,000,000	£100,000	£1,000,000	0.15%	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 Global Emerging Markets Fund (PRN 163142)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets 10/40 (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of emerging market companies worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of emerging market companies worldwide.

The Fund may also invest in companies headquartered or quoted on developed markets if those companies derive a significant proportion of their revenues or profits in emerging markets.

The Fund may invest directly in China H-Shares. The Fund may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

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 reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).

Fund characteristics

Date of authorisation	26 August 1993
Classes of Units	A Accumulation and A Income Q9 Accumulation S Income 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	31 March
Half-yearly accounting date	30 September
Income allocation date	31 May
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 MSCI Emerging Markets 10/40 (Net Total Return) index, and compared against the Investment Association Global Emerging Markets 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Derivatives risk – Emerging markets & frontier risk – Higher volatility risk – IBOR risk – Liquidity risk

- Market risk
- Operational risk
- Performance risk
- Stock connect risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.72%	0.00%
Q9	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.97%	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 QEP Global ex UK Core Fund (PRN 729921)

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI AC World ex UK (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of companies worldwide, excluding the UK.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly or indirectly in equity and equity related securities of companies worldwide, excluding the UK. The Fund will invest these assets with reference to the composition of the benchmark. The Fund has the discretion to vary the weightings in the benchmark's securities and to invest in securities not included in the benchmark.

The Fund's weight in a single country, region or sector will typically be within 3% of the benchmark, whilst the weight of each security will typically be within 0.75% of the benchmark.

The Fund focuses on companies that have certain 'Value' and/or 'Quality' characteristics. 'Value' is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the investment manager believes are undervalued by the market. 'Quality' is assessed by looking at indicators such as a company's profitability, stability and financial strength.

The Fund may invest directly in China H-Shares. The Fund may invest up to 10% of its assets (on a net basis) directly or indirectly (for example, via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

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 also 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	5 February 2016
Classes of Units	I Accumulation and I Income 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
Annual accounting date	10 September
Half-yearly accounting date	10 March
Income allocation date	I Income (Quarterly): 10 November, 10 February, 10 May, 10 August All other Units: 10 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 long-term capital growth and income offered through investment in equities. Investors should regard their investment as medium to long-term (three to five years) 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 constraining benchmark being the MSCI AC World ex UK (Net Total Return) index. In respect of the restriction in the Investment Policy to invest at least 80% of its assets in the specific asset classes stated, the investment manager is limited to investing these assets in accordance with the composition of the benchmark but has the discretion to vary the weightings in the benchmark's securities. The Fund's investment universe is a broad global equity universe which includes, but is not limited to, the components of the benchmark. The investment manager will select securities in accordance with the investment strategy disclosed above, and so the Fund will vary in composition, risk and return from the constraining benchmark. In respect of the statement in the investment policy that the Fund will typically be within a certain percentage of specific weightings (e.g. sector or security) of a particular benchmark, the investment manager does not actively take the Fund outside of such a percentage and if the Fund moves passively outside of a percentage the investment manager looks to bring the Fund back in line with the percentage at the next appropriate occasion, provided the investment manager believes this to be in the best interests of investors.
Benchmark selection	The constraining 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 and policy.

Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – China risk – Counterparty risk – Currency risk – Derivatives risk – Emerging markets and frontier risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£1,000,000	£100,000	£1,000,000	0.18%	10.00%
X	£1,000,000	£100,000	£1,000,000	0.03%	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 Global Equity Fund (PRN 141036)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI World (Net Total Return) (GBP) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity or equity related securities of companies worldwide. The investment manager seeks to identify companies that it believes will deliver future earnings growth above the level expected by the market typically on a 3-5 year horizon (this is referred to as 'a positive growth gap').

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 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	1 June 1988
Classes of Units	I Accumulation and I Income K1 Accumulation K2 Accumulation L Accumulation and L Income Q1 Accumulation Q2 Accumulation Q9 Accumulation S Accumulation and S Income X 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	15 December
Half-yearly accounting date	15 June
Income allocation date	15 February
Profile of a typical investor	The Fund aims to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in global equities. 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 MSCI World (Net Total Return) (GBP) 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 target benchmark has been selected because it is 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.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Operational risk – Performance risk – Derivatives risk – IBOR risk – Liquidity risk – Market risk

A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£5,000,000	£20,000	£1,000,000	0.52%	0.00%
K1	£5,000,000	£1,000,000	£5,000,000	1.52%	0.00%
K2	£5,000,000	£1,000,000	£5,000,000	1.27%	0.00%
L	None	None	None	Up to 1.00%	0.00%
Q1	None	None	None	0.35%	0.00%
Q2	None	None	None	0.29%	0.00%
Q9	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
X	£5,000,000	£20,000	£1,000,000	0.02%	0.00%
Z	£50,000	£10,000	£50,000	0.62%	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 Global Equity Income Fund (PRN 462470)

Investment Objective

The Fund aims to provide income and capital growth in excess of the MSCI World (Net Total Return) Index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities that (1) offer capital growth and income; and (2) of companies worldwide which offer sustainable dividend payments.

The Fund seeks to invest in a diversified portfolio of equity and equity related securities whose dividend yield in aggregate is greater than the average market yield. Equities with below average dividend yield may be included in the portfolio when the investment manager considers that they have the potential to pay above average income in future.

The Fund focuses on companies that have certain "Value" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

The Fund may invest directly in China H-Shares. The Fund may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

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 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	23 February 2007
Classes of Units	A Accumulation and A Income L Accumulation and L Income S Income W Accumulation and W Income 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	15 July
Half-yearly accounting date	15 January
Income allocation dates	15 September and 15 March
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. 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 MSCI World (Net Total Return) Index, and compared against the MSCI World Value (Net Total Return) Index and the Investment Association Global 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	The target benchmark has been selected because it is 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. The comparator benchmarks have been selected because the investment manager and the manager believe that these benchmarks are 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.
Schroder Annual Charge being charged wholly to capital	As a result of all charges 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.

Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk – Stock connect risk A full description of each of these risks can be found in **Appendix 3**.

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	1.70%	0.00%
L	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
W	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.95%	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 Global Healthcare Fund (PRN 191402)

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of healthcare and medical related companies worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of companies worldwide, which are engaged in healthcare provision, medical services and related products.

The Fund is positioned to benefit from the structural growth in demand for healthcare provision and medical treatments, supported by demographic trends, improving standards of living and technological advancements. The investment manager will position the Fund to benefit from these strong themes by investing in areas such as biotechnology, generic drug manufacture and supply, pharmaceuticals, health insurance and hospital supplies.

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 reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).

Fund characteristics

Date of authorisation	8 May 2000
Classes of Units	A Accumulation and A Income S 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	15 August
Half-yearly accounting date	15 February
Income allocation date	15 October
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 does not have a target benchmark. The Fund's performance should be compared against the MSCI AC World Health Care Daily (Net Total Return) index and the Investment Association Healthcare sector average.
Benchmark selection	The comparator benchmarks have 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 objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: Counterparty risk Concentration risk Currency risk Derivatives risk IBOR risk Liquidity risk Market risk Operational risk Performance risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.67%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.92%	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 Global Sovereign Bond Tracker Component Fund (PRN 729926)

Investment Objective

The Fund seeks to provide capital growth and income in line with the Bloomberg Barclays Customised Global Treasury (Gross Total Return) hedged to GBP index (before fees have been deducted *) over a three to five year period by investing in fixed and floating rate securities issued by governments worldwide.

Investment Policy

The Fund is passively managed and invests at least 90% its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by governments of any of the 17 largest member countries (by market capitalisation) of the Organisation for Economic Co-operation and Development.

The investment manager is limited to investing in accordance with the composition of the benchmark but has the discretion to vary the weightings in the benchmark's securities. A passive sampling approach will be used to optimise the portfolio with the aim of reflecting key characteristics of the benchmark without replicating or holding every stock included in the index, and to minimise portfolio transaction costs and rebalancing.

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

The Fund may also 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	5 February 2016
Classes of Units	I Accumulation and I Income Q9 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
Annual accounting date	10 August
Half-yearly accounting date	10 February
Income allocation date	10 October
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 with capital growth opportunities in the debt markets over the long term. Investors should regard their investment as medium to long-term (three to five years) 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 constraining benchmark being the Bloomberg Barclays Customised Global Treasury (Gross Total Return) hedged to GBP index. The investment manager is limited to investing in accordance with the composition of the benchmark but has the discretion to vary the weightings in the benchmark's securities.
Benchmark selection	The constraining 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 and policy.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital risk/negative yields risk – Counterparty risk – Credit risk – Currency risk – Derivatives risk – IBOR risk – Liquidity risk

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

	– Interest rate risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£1,000,000	£100,000	£1,000,000	0.12%	10.00%
Q9	None	None	None	Up to 1.00%	0.00%
X	£1,000,000	£100,000	£1,000,000	0.02%	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 Global Sustainable Value Equity Fund (PRN 438463)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI World (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of companies worldwide with 'Value' characteristics which the investment manager classifies as sustainable. These are companies that, through the way they are managed and/or the goods and services that they sell, make a positive contribution to the **Planet** (the environment); and/or **People** (employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions).

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of companies worldwide that have certain 'Value' characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the manager believes have been undervalued by the market. The Fund typically holds 30 to 70 companies. 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 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 in assets that the investment manager classifies as sustainable. A company is considered to be sustainable if it makes a positive contribution to:

- **Planet**. This includes contributions to the environment - such as reducing greenhouse gas (GHG) emissions, which helps slow down climate change.

and/or

- **People**. This includes contributions to one or more of the following:
  - employee wellbeing - such as paying more than living wages or providing training to employees, which supports their professional development and prosperity.
  - customer wellbeing - such as developing new products and services that improve customers' quality of life, for example medical drugs, therapies, diagnostic tools and healthy food.
  - healthy, inclusive and connected communities – such as providing access to clean water and sanitation (which promotes good health).
  - effective and accountable institutions – such as promoting financial stability, which supports people's prosperity and financial security.

A company is classified as sustainable if it achieves a positive score in Schroders' systematic model (SustainEx™). SustainEx™ produces an assessment of the company's effect on a defined set of benefits and costs for people and the planet, which are then combined to calculate an overall sustainability score for the company. A company must achieve a positive score to be deemed sustainable. The model is based on in-depth internal research, which has included establishing the relevance of various factors to the sustainability outcomes referred to above.

In some exceptional cases, SustainEx™ does not provide a fair reflection of a company's contribution to people and/or the planet. The investment manager can refer such companies 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 was available to SustainEx™, the company would achieve a positive score. This could be relevant where SustainEx™ does not capture an area of positive contribution – such as where a company produces a particularly sustainable product whose importance to people or the planet is not fully captured by the company's overall score. 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.

Please see *"What is the investment manager's approach to sustainability?"* below for more details on how the investment manager assesses sustainability and why it has determined that this approach is an appropriate way to identify companies that are sustainable.

The Fund is not permitted to invest in any assets 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 companies 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.

A. 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.

B. 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 companies that the investment manager classifies as sustainable. These are companies that, through the way they are managed and/or the goods and services that they sell, make a positive

contribution to: (1) the **planet** (the environment); and/or (2) **people** (employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions).

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

By investing in companies that are assessed as providing a positive contribution to people and/or the planet, the Fund aims to help them continue to implement (and potentially expand) their sustainable activities.

The Fund's holdings in such companies may also allow the investment manager, through engagement with management teams, 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 company. 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 contributions, no specific individual outcome can be guaranteed at either company or Fund level.

C. 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 sustainable companies?

A fund using a Sustainability Focus 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 is classified as sustainable if (i) it achieves a positive score in Schroders' systematic model, SustainEx™; or (ii) the Panel determines that the company would achieve a positive SustainEx™ score if additional robust evidence was available to the model and included in the calculation of the score.

What is SustainEx™?

Each proposed investment is first analysed using SustainEx™. SustainEx™ calculates the combined environmental and social costs and benefits of each company 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.

Some metrics are almost always positive (for example, when a company provides power, access to water, sanitation services or medicines) and some are almost always negative (for example, when a company emits carbon and other greenhouse gases (GHG), produces food waste or uses water unsustainably). Some can be both positive and negative depending on a company's approach to them (or example, paying living wages generates a benefit while paying less than a living wage generates a cost). The individual metric scores are added together to produce an overall sustainability score for the company. This is measured relative to the revenue a company generates from its products and services (the company's sales) so, if a company scores +2%, this means that for every £100 sales the company generates, it would provide a positive contribution to society and the environment of £2.

If a company achieves a positive score, the investment manager determines that it provides a positive contribution to people and/or the planet, and therefore is sustainable, for the following reasons:

- **The score demonstrates positive contribution to the planet and/or people** - SustainEx™ assesses companies against around 40 metrics – as explained further below, each metric is an individual indicator of a company's contribution to one of the stakeholder areas identified in the sustainability objective. By scoring positively on at least one of these indicators, a company therefore demonstrates that it is making a positive contribution to at least one of the stakeholder areas. In addition, for a company to operate in a sustainable way, it should make positive sustainability contributions without exploiting people or the planet in such a way that offsets these positive contributions. To achieve a positive overall score in SustainEx™, a company not only needs to positively contribute to one of the stakeholder groups (as determined by the metrics); its positive contribution must also be significant enough to offset other negative effects on people and/or the planet it may have (as determined by the metrics). This means that the investment manager can be confident that such companies are aligned with the Fund's sustainability objective and are providing a robust positive contribution to people and/or the planet on an overall basis.
- **Holistic assessment of externalities** – SustainEx™ provides a framework for assessing a company's sustainability through the economic lens of 'externalities'. Externalities are the costs or benefits that a third party experiences as a result of an economic activity, which are not reflected in the actual financial costs and benefits incurred by the company. Externalities may be positive - for example, a company that invests in renewable energy or innovative new products creates a positive externality for society, which benefits from lower emissions or improved living standards. Externalities may also be negative – for example, pollution or natural resource depletion. These can lead to environmental degradation, affecting air and water quality, biodiversity loss, and contributing to climate change. By understanding a company's exposure to specific externalities, as well as its overall effect across a wide range of them, the investment manager gains a more comprehensive understanding of its overall sustainability. An assessment of companies' externalities has also been highlighted externally as a lens through which to assess sustainability, for example by the United Nations Principles for Responsible Investment - the industry's largest global network supporting sustainable investment.
- **Robust and systematic process** – SustainEx™ is based on in-depth internal research, which has included establishing the relevance of various factors to the sustainability outcomes referred to in the sustainability objective. In order to identify externalities (both positive and negative) to include in SustainEx™, Schroders adopted a stakeholder framework, focusing on the key stakeholders with which companies interact: the

environment, employees, consumers, communities and institutions. A list of potential metrics was then produced, drawing from reports such as The Economics of Ecosystems and Biodiversity analysis of natural capital and the costs of its damage; consultants' frameworks to assess companies' social and environmental effects; and companies' case studies summarised by World Business Council for Sustainable Development and the United Nations Sustainable Development Goals. This list of potential metrics was reduced based on the availability of a robust quantification and measurement of the associated externality. The measures selected must be:

- Quantifiable - so that costs and benefits can be measured and compared objectively.
- Attributable - to ensure effects can be sensibly allocated between companies.
- Disclosed - widely enough that comparison between global companies or countries is possible.
- Transparent - so that users can understand their meaning.

Through this process, Schroders identified around 40 metrics that measure the environmental and social externalities that a company creates during a year, and that are directly relevant to the sustainability contribution they make. The model's quantitative nature provides objective measurement and analysis of sustainability performance, and strengthens and complements the research-led approach of Schroders' fund managers, as the tool is developed independently of the fund managers and grounded in external academic research.

The data driving SustainEx™ comes from a range of sources, including third-party market data vendors as well as specialist sustainability data providers. To ensure that the data used is robust, it is subject to a data acceptability assessment. This includes consideration of the accuracy of the data, its coverage, delivery mechanism, use of identifiers to match the data points to companies and countries, timeliness, and longevity. Data quality checks are also performed on an ongoing basis. This helps the investment manager to identify where the data has changed and why, as well as highlighting potentially inaccurate data. A process is in place to promptly correct data errors if necessary. All data providers are also subject to Schroders' Group Procurement and Outsource and Supplier Oversight Policies, which include detailed requirements with respect to the initial due diligence required as part of supplier selection, and ongoing monitoring.

To ensure that SustainEx™ remains a robust and reliable measure of sustainability, Schroders is committed to continuous enhancement, addressing both new metrics and refinements to existing ones. This structured, evidence-based approach enables us to enhance SustainEx™ continually, ensuring it effectively measures alignment with the sustainability objective.

- **Panel exceptions process** - the Panel review process gives the investment manager the flexibility to seek approval for companies where standard data or modelling limitations mean that relevant evidence is not taken into account. This means that legitimately sustainable companies are not excluded because they fail a systematic test. Evidence approved via the Panel is reviewed against a standard framework, in order to maintain a consistent process across companies. The framework does not vary based on the type of company, even though the evidence submitted may be different.

The investment manager's approach to assessing sustainability described above have been assessed by the investment manager's Risk and Compliance functions, which are independent of the investment decision making process for the Fund, and they have deemed this approach to be a robust, evidence-based standard that is an absolute measure of environmental and/or social sustainability.

In practice, a company's SustainEx™ score will illustrate the following:

SustainEx™ Score	Description
Positive (>0)	The company operates sustainably, making a positive contribution in at least one of the following areas: the environment; employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions. A company that scores positively in SustainEx™ will indicate a good or excellent contribution in at least one of these areas, such as having high levels of avoided emissions or paying salaries significantly above a living wage, while also not producing significant costs to people or the planet (based on SustainEx™ metrics).
Negative (≤0)	Although the company may make some positive contributions to the environment; employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions, these are outweighed by its negative effects (as determined by the SustainEx™ metrics). A company that scores negatively in SustainEx™ may make positive contributions in some areas, but will have a negative effect in others (such as having high levels of GHG emissions or paying below living wages) in a way that offsets the good contributions. Alternatively, it may indicate few positive contributions and/or may score very poorly in certain areas (for example, by having very high level of GHG emissions and paying salaries far below a living wage).

As an example, a company which sells wind turbines provides a positive contribution to the environment through the carbon emissions that are avoided over the period the turbines are operational. However, wind turbines are made by mining natural resources; carbon is emitted during their production; and people working to build them could experience dangerous working conditions or be paid below the living wage. To calculate whether a company selling wind turbines is providing a positive contribution to people or the planet overall, it is necessary to establish the value of the benefit of avoiding carbon emissions (and any other positive metrics), and to compare this against the cost of using natural resources, emitting carbon and negative effects on workers (and any other negative metrics).

What is the Panel?

The investment manager recognises that no model can fully reflect the specific circumstances of every individual company. Therefore, in some exceptional cases, SustainEx™ does not provide a full reflection of a company's sustainability. This could be relevant where:

- the model's calculation does not capture a relevant area of positive contribution - for example, a company may own a large amount of woodland which provides a positive contribution to the environment by taking carbon dioxide out of the atmosphere. However, those avoided carbon emissions are understated in SustainExTM because woodland ownership cannot be assessed consistently by the model across the full investment universe. If the investment manager is able to access robust information from the company that allows that benefit to be calculated, evidence regarding the avoided carbon emissions could be provided by the investment manager in order to adjust the negative scoring on that metric.
- the model's calculation uses estimated data that does not reflect the company's contribution – for example, some companies do not report the salaries they pay employees, which means that SustainEx TM uses estimated values based on companies with similar characteristics to calculate the "fair pay" metric. If the investment manager is able to identify other information provided by the company (for example, median wages may be published), it may be possible to adjust the SustainExTM score using that alternative data, which provides a more accurate view than the estimates that would otherwise be applied.

The investment manager can refer such companies to the Panel. The Panel reviews additional robust evidence provided by the investment manager to determine whether, if such evidence was available to SustainExTM, the company would achieve a positive score. The Panel uses a standard framework to assess all evidence submitted, in order to maintain a consistent and systematic review process. The framework assesses evidence submitted based on the following:

- Is the reason for the proposed adjustment to the SustainExTM score clear and valid?
- If a negative SustainExTM score is due to erroneous data, is the proposed correction valid, supported by robust evidence, and does it result in the company's adjusted SustainExTM score becoming positive?
- If a negative SustainExTM score is due to incomplete information, is there robust evidence that, if included within the SustainEx TM calculation, would result in a positive adjusted score?

The Panel comprises sustainability specialists from Schroders' Sustainable Investment team and senior representatives from Schroders' Legal, Investment Risk and Compliance teams. Panel members advise the Panel Chair (the Global Head of Sustainable Investment) on whether to approve or reject investments for categorisation as sustainable investments. Panel members from the Sustainable Investment team have voting rights on which recommendation to give to the Panel Chair. Their role is to assess the sustainability credentials of the evidence submitted and to adjust the effective SustainExTM score based on that evidence. A majority vote is required for a company to be recommended to the Chair 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 to ensure that the voting members have followed the correct procedure in reaching a recommendation and the evidence provided is drawn from robust sources. The Panel's decisions are documented and once a company has been approved as sustainable, this status is incorporated into portfolio compliance coding for the Fund. This allows the investment manager to systematically monitor that at least 70% of the Fund's portfolio is invested in companies that achieve a positive score in SustainEx TM (whether directly, or through an adjusted calculation based on robust evidence provided to the Panel). Once an individual company has been approved by the Panel, the ongoing positive contribution of that company is regularly reviewed by the investment manager to ensure that it remains aligned with the Panel's requirements.

In addition to the assessment of whether a company is sustainable (as described above), does the investment manager carry out any other sustainability-related checks on investments?

For this Fund, the investment manager will also assess whether potential investments are "**ESG Leaders".** This process is separate to the assessment of whether a company meets the Fund's sustainability objective (as described above), and is not relevant in determining whether the Fund has invested at least 70% of its assets in line with that objective.

The ESG Leaders assessment determines whether a company provides an overall benefit to society and is best-in-class versus industry peers in its approach to sustainability. ESG Leadership is assessed holistically by: (1) assessing the quality of the company's relationship with key stakeholders such as employees, communities, suppliers, customers and regulators; and (2) analysing a range of sustainability-related materials including company disclosures and sustainability analysis carried out by third-party experts. A company must be classified as an ESG Leader to be eligible for investment. The ESG Leaders assessment uses a broad range of data sources, including Schroders' systematic models, third party sustainability rating data and company disclosures.

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.

As the Fund aims to invest in companies that provide a positive contribution to people and/or the planet, the investment manager defines conflicting assets as companies which have a significant negative effect on people and/or the planet. These are companies that are directly and materially exposed to activities that are significantly damaging to the environment, companies complicit in cases of severe human rights abuses and incidents, or companies engaged in major corruption. Such companies are identified using the following measures:

Area of harm	Threshold
Carbon emissions	Companies with a carbon intensity (a measure of high carbon emissions) of more than 20,000 tonnes of CO2 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.
Severe biodiversity loss	Breach of Schroders' 'Global Norms' exclusions. Schroders' definition of Global Norms considers widely recognised principles such as the UNGC principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Fundamental Conventions. Schroders has created a proprietary framework to identify, assess and engage companies that we deem to have potentially breached Global Norms. The output of this framework is a 'Global Norms Breach List' comprised of companies that have: been identified as causing significant damage; not sufficiently addressed the issue in question through transparent communications and action; and not provided sufficient remedy for affected stakeholders. To identify Global Norms violators, the investment manager monitors ESG controversies through a number of sources, such as third party data providers, NGOs, industry reports and academic institutions.
Hazardous waste generation	
Complicity in severe human rights abuses and incidents	
Complicity in major corruption	

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 investing in companies with direct exposure above a certain level to certain harmful activities or products (such as fossil fuels, conventional and controversial weapons, tobacco, alcohol, gambling and adult entertainment).

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/.

D. What else might the Fund invest in?

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

The Fund invests at least 70% of its portfolio in companies that have been assessed as sustainable using the process outlined in "How does the investment manager identify sustainable companies?" above.

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 determines may be able to meet the sustainability objective over time, or other investments that the investment manager deems 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.

E. 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 the way they are managed and/or the goods and services they sell, all companies have both negative and positive effects on society and the environment. Although the Fund aims to select companies that provide a positive contribution to people and/or the planet, such companies will 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.

F. 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, 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.

G. 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 sustainable companies 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.

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 its sustainability objective over time. This section sets out the relevant KPIs for the Fund.

The investment manager uses KPIs to assess whether the Fund is meeting its sustainability objective. Within SustainEx™, each metric has certain KPI(s) that are used, for example:

- GHG emissions (tonnes of CO2 equivalent)
- Energy created from renewable energy (GWh)
- Total water withdrawal (cubic meters)
- Total waste generated (tonnes)
- Health & Safety: Accident rates
- Health & Safety: Fatalities (number of employees and contractors)
- Dollar value of community donations
- Dollar value of employee training
- Emissions which degrade air quality (tonnes of NOx, SOx, VOCs)

A company's performance against these KPIs is used to calculate its overall SustainEx™ score, which is monitored on an ongoing basis to ensure that investments remain aligned with the sustainability objective.

The manager also reports on the KPIs below, which aim to illustrate whether the Fund has invested in companies that the investment manager assessed as providing a positive contribution to people and/or the planet 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:

KPI	Purpose
Overall sustainability score of the Fund	The overall sustainability score is based on Schroders' systematic model, SustainEx™, as described under "*How does the investment manager identify sustainable companies?"* above. The investment manager calculates SustainEx™ scores for all companies in the Fund to arrive at the total Fund score. The overall score is a measure of the Fund's sustainability performance relative to the benchmark stated in its investment objective. The benchmark is representative of the investment universe of the Fund before its sustainability criteria have been applied, so comparing the sustainability scores of the Fund and the benchmark provides an indication of the effect of the Fund's sustainable investment strategy.
Overall planet score of the Fund	The planet score is also calculated using SustainEx™, and represents the Fund's environmental performance relative to its benchmark, as described above.
Overall people score of the Fund	The people score is also calculated using SustainEx™, and represents the Fund's social performance relative to its benchmark, as described above.
Percentage of investments that are sustainable	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 illustrates the actual percentage of the Fund made up of sustainable companies, as determined by the assessment described under "*How does the investment manager identify sustainable companies?*" above.
Investments that are classified as sustainable based on Panel review	As described above, where a company does not achieve a positive SustainEx™ score, the investment manager can ask the Panel to review additional evidence to determine whether, if such evidence was available to SustainEx™, the company would achieve a positive score. This KPI illustrates the Fund's exposure to companies which achieved a positive score through this Panel process.

H. 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 companies held by the Fund to support the achievement of the Fund's sustainability objective. This means working with companies,

where appropriate, to try to increase their positive contributions to people and the planet, and reduce the size of their negative contributions.

As the Fund aims to select companies that provide a positive contribution to people and/or the planet, the investment manager typically engages with companies on some of the following stakeholder considerations:

- **Environment**: engagement topics may include encouraging companies to align their business models with the transition to a net zero economy; and to implement responsible waste disposal, recycling and lifecycle management practices to promote a circular economy across the lifecycle of their products.
- **Employees**: engagement topics may include encouraging companies to provide appropriate training and development opportunities for their employees.
- **Customers**: engagement topics may include encouraging companies to ensure that products and services do not adversely affect human rights.
- **Communities:** engagement topics may include encouraging companies to commit to supporting local communities who may experience indirect job losses from the company's operations in the area.
- **Institutions**: engagement topics may include encouraging companies to disclose the full extent of taxes paid or collected in each country of operation.

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.
- 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 coordinated engagement and voting with other investment teams, asset managers or asset owners where the investment manager determines that this will have greater effect.

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 approach to stewardship is set out in its Engagement Blueprint, found here: https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf

I. What actions does the investment manager take if an investment ceases to be sustainable, or doesn't perform well enough against the KPIs?

This section explains what the next steps will be if a company ceases to be aligned with the sustainability objective or is not performing well enough against the KPIs.

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 classifies a company as 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 in the investment policy. The investment manager may also engage with the company to obtain more information to inform its assessment and/or to encourage the company to address its concerns, with a view to the asset meeting the investment manager's criteria for sustainable investments again.

Fund characteristics

Date of authorisation	19 October 2005
Classes of Units	I Accumulation and I Income Q1 Accumulation and Q1 Income Q2 Income S Accumulation and S Income W Accumulation and W Income X 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	10 April
Half-yearly accounting date	10 October

Income allocation date	Q2 Income (Quarterly): 10 September, 10 December, 10 March, 10 June All other Units: 10 June
Profile of a typical investor	The Fund aims to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in global equities, 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 **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 MSCI World (Net Total Return) index, and compared against the MSCI World Value (Net Total Return) Index and the Investment Association Global 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	The target benchmark has been selected because it is 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. The comparator benchmarks have been selected because the investment manager and the manager believe that these benchmarks are 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: Concentration risk Counterparty risk Currency risk Derivatives risk Higher volatility risk IBOR risk Liquidity risk Market risk Operational risk Performance risk Sustainable Investing Risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£100,000	£20,000	£100,000	0.79%	0.00%
Q1	None	None	None	Up to 1.00%	0.00%
Q2	None	None	None	0.53%	0.00%
S	None	None	None	Up to 1.00%	0.00%
W	None	None	None	Up to 1.00%	0.00%
X	£100,000	£20,000	£100,000	0.04%	0.00%
Z	£50,000	£10,000	£50,000	0.93%	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 High Yield Opportunities Fund (PRN 190765)

Investment Objective

The Fund aims to provide income and capital growth of between 4.5% and 6.5% per annum (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities 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 in fixed and floating rate securities (denominated in or hedged back into Sterling) issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund invests at least 50% of its assets in Pan-European fixed and floating rate securities.

The Fund invests at least 80% of its assets, directly or indirectly through credit default swaps and credit default swap indices, in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities.

The Fund may invest up to 15% of its assets in contingent convertible securities.

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 may use leverage and take short positions.

Fund characteristics

Date of authorisation	17 January 2000
Classes of Units	A Accumulation and A Income S Accumulation X 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	27 July
Half-yearly accounting date	27 January
Other accounting dates	27 August, 27 September, 27 October, 27 November, 27 December, 27 February, 27 March, 27 April, 27 May, 27 June
Income allocation dates	25 September, 25 March, 25 April, 25 May, 25 June, 25 July, 25 August, 25 October, 25 November, 25 December, 25 January and 25 February
Profile of a typical investor	The Fund is a medium risk Fund aiming to provide income by investing in fixed and floating rate securities worldwide. The Fund also aims to provide capital growth. 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 the income and capital growth target of between 4.5% and 6.5% per year, and compared against the Investment Association High Yield Investment sector average return.
Benchmark selection	The income and capital growth target has been selected because the investment manager deploys strategies that aim to deliver the level of income and capital growth stated in the investment objective. The comparator benchmark has been selected because the investment manager and the manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. The Fund employs the absolute Value-at-Risk (VaR) approach to measure its global risk exposure.
Expected level of leverage	200%

	The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See **Appendix 2 Section 6:** 'Derivatives and forwards' for further information.
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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital erosion risk – Counterparty risk – Credit risk – Currency risk – Derivatives risk – Event risk – High yield bond risk – IBOR risk – Interest rate risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

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	1.37%	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	£50,000	£10,000	£50,000	0.72%	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 Income Fund (PRN 109439)

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.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK. The Fund typically holds 30 to 50 companies.

The Fund focuses on companies that have certain 'Value' characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the investment manager believes have been undervalued by the market.

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 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	29 April 1988
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation and Q Income S Accumulation and S Income W Accumulation and W Income 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	25 February
Half-yearly accounting date	25 August
Income allocation dates	25 April and 25 October
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. 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 FTSE All Share (Gross Total Return) Index, and compared against the MSCI UK Value (Gross Total Return) Index and 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	The target benchmark has been selected because it is 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. The comparator benchmarks have 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 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: Capital erosion risk Concentration risk

	Counterparty risk
	Currency risk
	Derivatives risk
	Higher volatility risk
	IBOR risk
	Liquidity risk
	Market risk
	Operational risk
	Performance risk
	A full description of each of these risks can be found in **Appendix 3**.

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	1.66%	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%
W	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.91%	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 Income Maximiser (PRN 435499)

Investment Objective

The Fund aims to provide income and capital growth by investing in equity and equity-related securities of UK companies. The Fund aims to deliver an income of 7% per year but 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 equity and equity related securities of UK companies which are selected for their long term income and capital growth potential. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

The Fund focuses on companies that have certain 'Value' characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

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 will typically underperform a similar portfolio without derivatives in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

Fund characteristics

Date of authorisation	1 September 2005
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Income S Income 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	31 August
Half-yearly accounting date	28 February
Other accounting dates	30 November and 31 May
Income allocation dates	31 October, 31 January, 30 April and 31 July
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. 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 the income target of 7% per year, and compared against the FTSE All Share (Gross Total Return) index and the Investment Association UK Equity Income sector average return.
Benchmark selection	The income target has been selected because the investment manager deploys strategies that aim to deliver the level of income stated in the investment objective. The comparator benchmarks have 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 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are:

- Capital erosion risk
- Capital risk/distribution policy
- Concentration risk
- Counterparty risk
- Currency risk
- Derivatives risk
- IBOR risk
- Liquidity risk
- Market risk
- Maximiser funds
- Operational risk
- Performance risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.66%	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%
Z	£50,000	£10,000	£50,000	0.91%	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 Institutional Pacific Fund (PRN 143275)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Pacific ex Japan (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities in developed markets of the Asia Pacific region. The Fund may also seek to provide income.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of companies in developed markets of the Asia Pacific region, excluding Japan.

The Fund follows an active investment policy and seeks to invest in companies which the investment manager believes have strong cash flows and dividend support.

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 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	12 May 1989
Classes of Units	I Accumulation and I Income Q9Accumulation S Income 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 (Singapore) Limited
Annual accounting date	15 October
Half-yearly accounting date	15 April
Income allocation date	15 December
Profile of a typical investor	The Fund aims to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 MSCI Pacific ex Japan (NetTotal Return) 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 target benchmark has been selected because it is 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.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Derivatives risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£100,000	£20,000	£100,000	0.52%	0.00%
Q9	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
X	£100,000	£20,000	£100,000	0.03%	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 Institutional UK Smaller Companies Fund (PRN 109457)

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE UK Small Cap ex Investment Trusts (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 small-sized UK companies.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK and, at the time of purchase, are similar in size to those comprising the bottom 10% by market capitalisation of the UK equities market.

The small cap universe is an extensive, diverse and constantly changing area of the UK market. Smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They may also grow more rapidly than larger firms and can go on to become household names.

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 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	29 April 1988
Classes of Units	I Accumulation and I Income X Accumulation and X 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	15 February
Half-yearly accounting date	15 August
Income allocation date	15 April
Profile of a typical investor	The Fund aims to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 FTSE UK Series Small Cap ex Investment Trusts (Gross Total Return) index and compared against the Investment Association UK Smaller Companies 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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 before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk – Operational risk

	– Performance risk – Smaller companies risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£100,000	£20,000	£100,000	0.51%	0.00%
X	£100,000	£20,000	£100,000	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 Long Dated Corporate Bond Fund (PRN 417607)

Investment Objective

The Fund aims to provide capital growth and income in excess of the Bank of America Merrill Lynch 15+ Year Non-Gilt (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in long dated fixed and floating rate securities issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least 70% of its assets in long dated fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) and issued by companies worldwide.

The Fund invests at least 80% of its assets, directly or indirectly through credit default swaps and credit default swap indices, in investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies).

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 may use leverage and take short positions.

Fund characteristics

Date of authorisation	31 January 2005
Classes of Units	I Accumulation and I Income X Accumulation and X Income Y Accumulation and Y 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	10 April
Half-yearly accounting date	10 October
Income allocation date	10 June
Profile of a typical investor	The Fund aims to provide income with some capital growth potential. 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.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Benchmark	The Fund's performance should be assessed against its target benchmark, being to exceed the Bank of America Merrill Lynch 15+ Year Non-Gilt (Gross Total Return) 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 target benchmark has been selected because it is 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.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. The Fund employs the relative Value-at-Risk (VaR) approach to measure its global risk exposure.
VaR benchmark	Bank of America Merrill Lynch 15+ Years Sterling Non Gilts Index (GBP).
Expected level of leverage	200% The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See **Appendix 2 Section 6:** 'Derivatives and forwards' for further information.
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.

Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital erosion risk – Counterparty risk – Credit risk – Currency risk – Derivatives risk – High yield bond risk – IBOR risk – Interest rate risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£100,000	£20,000	£100,000	0.27%	0.00%
X	£100,000	£20,000	£100,000	0.02%	0.00%
Y	None	None	None	Up to 0.25%	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 Managed Balanced Fund (PRN 185324)

Investment Objective

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide.

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 equity and equity related securities, fixed and floating rate securities or alternative assets worldwide.

Alternative assets may include funds that use absolute return strategies or funds that invest in real estate, commodities or private equity.

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 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	8 December 1997
Classes of Units	H Accumulation and H Income I Accumulation and I Income 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	23 February
Half-yearly accounting date	23 August
Income allocation date	23 April
Profile of a typical investor	The Fund is a medium risk Fund aiming to provide capital growth with some income through investment in a selection of Schroders' and other Fund managers' collective investment schemes. 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 does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 40% to 85% Shares sector average return.
Benchmark selection	The comparator benchmark has been selected because the investment manager and the 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 an associate of the [Manage]r. 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Credit risk – Currency risk – Derivatives risk – High yield bond risk – IBOR risk – Liquidity risk – Market risk – Operational risk

	– Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
H	£1,000,000	£20,000	£1,000,000	0.29%	0.00%
I	£1,000 or £50 per month under regular savings plan	£500	£1,000	0.57%	0.00%
Z	£50,000	£10,000	£50,000	0.93%	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 Managed Wealth Portfolio (PRN 146630)

Investment Objective

The Fund aims to achieve capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.5% per annum (after fees have been deducted) over a five to seven 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 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 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 can invest up to 100% 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:

- Cash: 0–20%
- 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	6 August 1990
Classes of Units	A Accumulation and A Income S Accumulation and S Income 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 January
Half-yearly accounting date	31 July
Income allocation date	31 March
Profile of a typical investor	The Fund is a medium risk Fund aiming to provide capital growth with some income potential through investment in a selection of Schroders' and other Fund managers' collective investment schemes. 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 of the UK Consumer Price Index plus 3.5%, and compared against the Investment Association Mixed Investment 40% to 85% 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 the investment manager and the 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 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Credit risk

	– Currency risk – Derivatives risk – High yield bond risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

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	1.56%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.81%	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 Prime UK Equity Fund (PRN 183104)

Investment Objective

The Fund aims to provide 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.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

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).

Fund characteristics

Date of authorisation	21 April 1997
Classes of Units	I Accumulation and I Income K1 Accumulation and K1 Income Q Accumulation Q9 Accumulation S Income X 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	15 September
Half-yearly accounting date	15 March
Income allocation date	15 November
Profile of a typical investor	The Fund aims to provide returns through investment in UK equities. 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 FTSE All Share (Gross Total Return) index and compared against the Investment Association UK All Companies 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk – Operational risk

– Performance risk

A full description of each of these risks can be found in **Appendix 3**.

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	0.30%	0.00%
Q	None	None	None	0.25%	0.00%
Q9	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
X	£100,000	£20,000	£100,000	0.01%	0.00%
K1	£5,000,000	£1,000,000	£5,000,000	0.52%	0.00%
Z	£50,000	£10,000	£50,000	0.40%	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 QEP Global Active Value Fund (PRN 436030)

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net Total Return) Index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity or equity related securities of companies worldwide.

The Fund invests in companies that have certain 'Value' characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the manager believes have been undervalued by the market.

The Fund may invest directly in China H-Shares. The Fund may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

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).

Fund characteristics

Date of authorisation	6 September 2005
Classes of Units	A Accumulation and A Income I Accumulation and I Income K1 Accumulation S Income X Accumulation and X Income 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	20 June
Half-yearly accounting date	20 December
Other accounting dates	X Income: 20 June and 20 September
Income allocation dates	X Income (Quarterly): 20 August, 20 November, 20 February and 20 May All other Units: 20 August
Profile of a typical investor	The Fund is a medium risk Fund aiming to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in global equities. 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 MSCI AC World (Net Total Return) Index, and compared against the MSCI AC World Value (Net Total Return) 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 target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Derivatives risk

- Emerging markets & frontier risk
- IBOR risk
- Liquidity risk
- Market risk
- Operational risk
- Performance risk
- Stock connect risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.50%	0.00%
I	£1,000,000	£20,000	£1,000,000	0.70%	0.00%
K1	£5,000,000	£1,000,000	£5,000,000	1.53%	0.00%
S	None	None	None	Up to 1.00%	0.00%
X	£100,000	£20,000	£100,000	0.05%	0.00%
Z	£50,000	£10,000	£50,000	0.85%	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 QEP Global Core Fund (PRN 143271)

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI World (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of companies worldwide.

The Fund focuses on companies that have certain 'Value' and/or 'Quality' characteristics. 'Value' is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the investment manager believes are undervalued by the market. 'Quality' is assessed by looking at indicators such as a company's profitability, stability and financial strength.

The Fund's weight in a single country, region or sector will typically be within 3% of the target index whilst the weight of each security will typically be within 0.75% of the benchmark.

The Fund may invest directly in China H-Shares. The Fund may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares and / or China B-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

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 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	11 April 1989
Classes of Units	A Accumulation and A Income D Accumulation and D Income I Accumulation and I Income K1 Accumulation Q Accumulation Q9 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
Annual accounting date	15 October
Half-yearly accounting date	15 April
Income allocation date	15 December
Profile of a typical investor	The Fund is a medium risk Fund aiming to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in global equities. 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 constraining benchmark being the MSCI World (Net Total Return) index. The investment manager is limited to investing with reference to the composition of the benchmark. Where a Fund states that it will typically be within a certain percentage of specific weightings (e.g. sector or security) of a particular benchmark, the investment manager does not actively take the Fund outside of such a percentage and if the Fund moves passively outside of a percentage the investment manager looks to bring the Fund back in line with the percentage at the next appropriate occasion, provided the investment manager believes this to be in the best interests of investors.
Benchmark selection	The constraining 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 and policy.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.

Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Derivatives risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk – Stock connect risk A full description of each of these risks can be found in **Appendix 3**.

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	0.32%	0.00%
D	£250,000,000	£25,000,000	£250,000,000	Up to 0.27%	0.00%
I	£100,000	£20,000	£100,000	0.29%	0.00%
K1	£5,000,000	£1,000,000	£5,000,000	1.52%	0.00%
Q	None	None	None	0.18%	0.00%
Q9	None	None	None	Up to 1.00%	0.00%
X	£100,000	£20,000	£100,000	0.02%	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 QEP US Core Fund (PRN 109430)

Investment Objective

The Fund's aims to provide capital growth in excess of the Standard & Poor's 500 (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of companies in the United States and Canada.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of companies in the United States and Canada.

The Fund focuses on companies that have certain 'Value' and/or 'Quality' characteristics. 'Value' is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the investment manager believes are undervalued by the market. 'Quality' is assessed by looking at indicators such as a company's profitability, stability and financial strength.

The Fund's weight in a single sector will typically be within 3% and each security weighting within 0.75% of the above benchmark.

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 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 authorization	29 April 1988
Classes of Units	I Accumulation and I 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	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. It may be suitable for investors who are seeking long-term returns offered through investment in US equities. 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 constraining benchmark being the Standard & Poor's 500 (Net Total Return) index. The investment manager is limited to investing with reference to the composition of the benchmark. Where a Fund states that it will typically be within a certain percentage of specific weightings (e.g. sector or security) of a particular benchmark, the investment manager does not actively take the Fund outside of such a percentage and if the Fund moves passively outside of a percentage the investment manager looks to bring the Fund back in line with the percentage at the next appropriate occasion, provided the investment manager believes this to be in the best interests of investors.
Benchmark selection	The constraining 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 and policy.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk

A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£100,000	£20,000	£100,000	0.33%	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 Recovery Fund (PRN 109448)

Investment Objective

The Fund aims to provide 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 that have suffered a severe setback in either share price or profitability.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the investment manager believes are significantly undervalued relative to their long-term earnings potential.

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).

Fund characteristics

Date of authorisation	29 April 1988
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation S Income W Accumulation and W Income 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	15 July
Half-yearly accounting date	15 January
Income allocation date	W Income (Semi-Annually): 15 March and 15 September All other Units: 15 September
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 FTSE All Share (Gross Total Return) Index, and compared against the MSCI UK Value (Gross Total Return) Index and the Investment Association UK All Companies 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	The target benchmark has been selected because it is 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. The comparator benchmarks have 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 objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk – IBOR risk – Liquidity risk

– Market risk
– Operational risk
– Performance risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.66%	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%
W	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.91%	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.

*The Q unit class will launch on 13/05/2024

Schroder Sterling Broad Market Bond Fund (PRN 429823)

Investment Objective

The Fund aims to provide capital growth and income in excess of the benchmark * (after fees have been deducted) over a three to five year period by investing in a diversified portfolio of fixed and floating rate securities worldwide.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest up to 10% of its assets in convertible bonds.

The Fund may invest more than 20% of its assets, directly or indirectly through credit default swaps and credit default swap indices, in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities.

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) and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk and 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	3 May 2005
Classes of Units	I Accumulation and I Income X Accumulation and X Income (Quarterly)
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 May
Half-yearly accounting date	15 November
Other accounting dates	X Income: 15 August and 15 February
Income allocation dates	X Income (Quarterly): 15 July, 15 October, 15 January, 15 April. All other Units: 15 July
Profile of a typical investor	The Fund aims to provide income with some capital growth potential. 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 50% of the iBoxx GBP Gilts Total Return and 50% of the iBoxx GBP Non-Gilts (Gross Total Return) 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 target benchmark has been selected because it is 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.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. The Fund employs the relative Value-at-Risk (VaR) approach to measure its global risk exposure.
VaR benchmark	Markit iBoxx GBP Gilts (50%) & Non-Gilts (50%) Index
Expected level of leverage	400% The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See **Appendix 2 Section 6:** 'Derivatives and forwards' for further information.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.

* The Fund's benchmark is a composite of 50% of the iBoxx GBP Gilts Total Return and 50% of the iBoxx GBP Non-Gilts (Gross Total Return) index.

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.
Issuer Concentration	The Fund is permitted to invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State/governments of the following countries: United Kingdom.
Total Return Swaps	The Fund will 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 130% and is expected to remain within the range of 0% to 50% of the Net Asset Value. In certain circumstances this proportion may be higher.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital erosion risk – Counterparty risk – Credit risk – Currency risk – Derivatives risk – High yield bond risk – IBOR risk – Interest rate risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£100,000	£20,000	£100,000	0.33%	0.00%
X	£100,000	£20,000	£100,000	0.03%	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 Sterling Short Term Bond Fund (PRN 847820)

Investment Objective

The Fund aims to provide capital growth and income in excess of the *benchmark (after fees have been deducted) over a three to five year period by investing in short-term fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

*The Fund's benchmark is a composite of 50% ICE BofA 0-3 year UK Gilt index & 50% ICE BofA 0-3 year Sterling Corporate index.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in short-dated fixed and floating rate investment grade securities, directly or indirectly through credit default swaps and credit default swap indices, (as measured by Standard & Poor's or any other equivalent credit rating agencies) either denominated in sterling or in other currencies and hedged back into sterling and issued by governments, government agencies, supra- nationals and companies worldwide. The average effective duration of the Fund's portfolio will not exceed 3 years and the residual maturity of any bond will not exceed 10 years.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes, 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 may use leverage and take short positions.

Fund characteristics

Date of authorisation	5 September 2019
Classes of Units	I Accumulation and I Income X Accumulation and X Income 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	31 January
Half-yearly accounting date	31 July
Income allocation date	31 March
Profile of a typical investor	The Fund aims to provide capital growth and income. It may be suitable for investors who are seeking to combine capital growth and income in the relative stability of short dated debt markets. 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 a composite of 50% ICE BofA 0-3 year UK Gilt index & 50% ICE BofA 0-3 year Sterling Corporate 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 target benchmark has been selected because it is 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.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. The Fund employs the relative Value-at-Risk (VaR) approach to measure its global risk exposure.
VaR benchmark	A composite of 50% ICE BofA 0-3 year UK Gilt index & 50% ICE BofA 0-3 year Sterling Corporate index.
Expected level of leverage	200% The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See **Appendix 2 Section 6:** 'Derivatives and forwards' for further information.
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.

Total Return Swaps	The Fund will 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 130% and is expected to remain within the range of 0% to 50% of the Net Asset Value. In certain circumstances this proportion may be higher.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Capital erosion risk – Counterparty risk – Credit risk – Currency risk – Derivatives risk – High yield bond risk – IBOR risk – Interest rate risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£1,000,000	£100,000	£1,000,000	0.24%	0.00%
X	£1,000,000	£100,000	£1,000,000	0.04%	0.00%
Z	£50,000	£10,000	£50,000	0.24%	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 Strategic Bond Fund (PRN 574961)

Investment Objective

The Fund aims to provide income and capital growth of between 2.5% and 4.5% per annum (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies 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 in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies, supra-national and corporate issuers worldwide.

The Fund may invest up to 40% of its assets in asset backed securities and mortgage backed securities.

The Fund may invest up to 15% of its assets in contingent convertible securities.

The Fund may invest up to 50% of its assets, directly or indirectly through credit default swaps and credit default swap indices, in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, or in unrated securities.

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 may use leverage and take short positions.

Fund characteristics

Date of authorisation	15 February 2012
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation and Q Income S Accumulation X Income (Quarterly) W Accumulation and W Income 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	15 June
Half-yearly accounting date	15 December
Other accounting dates	X Income: 15 September and 15 March
Income allocation dates	X Income (Quarterly): 15 August, 15 November, 15 February,15 May All other Units: 15 August and 15 February
Profile of a typical investor	The Fund aims to provide income with some capital growth potential. 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 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. Investors 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 the income and capital growth target of between 2.5% and 4.5% per year, and compared against the Investment Association Strategic Bond sector average return and the Bloomberg Multiverse ex treasuries A+-B- GBP hedged.
Benchmark selection	The income and capital growth target has been selected because the investment manager deploys strategies that aim to deliver the level of income and capital growth stated in the investment objective. The comparator benchmarks have been selected because the investment manager and the manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. For further information please see Appendix 2. Section 6: 'Using Derivatives for specific investment purposes'. The Fund employs the absolute Value-at-Risk (VaR) approach to measure its global risk exposure.

Expected level of leverage	900% The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See **Appendix 2 Section 6:** 'Derivatives and forwards' for further information.
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 annual management fee 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.
Total Return Swaps	The Fund will 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 130% and is expected to remain within the range of 0% to 50% of the Net Asset Value. In certain circumstances this proportion may be higher.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – ABS and MBS risk – Capital erosion risk – Counterparty risk – Credit risk – Currency risk – Derivatives risk – High yield bond risk – IBOR risk – Interest rate risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

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	1.20%	0.00%
L	£25,000,000	£10,000,000	£25,000,000	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%
W	None	None	None	0.49%	0.00%
X	£25,000,000	£10,000,000	£25,000,000	0.05%	10.00%
Z	£50,000	£10,000	£50,000	0.65%	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 Sustainable Bond Fund (PRN 154448)

Investment Objective

The Fund aims to provide capital growth in excess of ICE BofA Sterling 3-Month Government Bill index plus 2.5% (after fees have been deducted) over any three to five year period, by investing directly in fixed and floating rate securities issued by governments, government agencies and companies worldwide which the investment manager classifies as sustainable. These are investments that make a positive contribution to the **Planet** (the environment); and/or **People** (workforce wellbeing; public and consumer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions).

Investment Policy

The Fund is actively managed and invests at least 80% of its assets directly, in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) ("bonds") issued by governments, government agencies, supra-national and corporate issuers worldwide, (including emerging markets and less developed markets). The Fund may invest up to 50% of its assets, directly or indirectly through credit default swaps and credit default swap indices, in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, or in unrated securities. The Fund may invest up to 40% of its assets in asset-backed securities, specifically whole business corporate loans, and covered bonds.

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) 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 may use leverage and take short positions.

The Fund invests at least 70% of its portfolio in bonds that the investment manager classifies as sustainable. A bond is considered to be sustainable if either the issuer itself or the activity funded by the proceeds of the bond makes a positive contribution to:

- Planet. This includes contributions to the environment - such as reducing greenhouse gas (GHG) emissions, which helps slow down climate change.

and/or

- People. This includes contributions to one or more of the following:
    - Workforce wellbeing - such as a company paying more than living wages or providing education and training (which supports employee professional development and prosperity), or a sovereign providing education (which facilitates economic participation) and protecting human rights (which allows workers to be fairly compensated from their employment).
    - public and consumer wellbeing - such as a company developing new products and services that improve customers' quality of life (for example medical drugs, therapies, diagnostic tools and healthy food), or a sovereign setting policies against cybercrime (which aim to protect a country's citizens from exploitation online).
    - healthy, inclusive and connected communities – such as a company providing access to clean water and sanitation (which promotes good health), or a sovereign setting policies that tackle discrimination (which aim to create more equitable and harmonised communities).
    - effective and accountable institutions – such as a company promoting financial stability (which supports people's prosperity and financial security), or a sovereign setting policies that support sociopolitical stability (which leads to a safer and more prosperous society).

Bonds are classified as sustainable if they achieve a positive score in Schroders' systematic model (SustainEx™). SustainEx™ produces an assessment of the bond issuer's effect on a defined set of benefits and costs for people and the planet, which are then combined to calculate an overall sustainability score for the bond. A bond must achieve a positive score to be deemed sustainable. The model is based on in-depth internal research, which has included establishing the relevance of various factors to the sustainability outcomes referred to above.

In some exceptional cases, SustainEx™, does not provide a fair reflection of an issuer's contribution to people and/or the planet. 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 was available to SustainEx™, the investment would achieve a positive score. This could be relevant where SustainEx™, does not capture a relevant area of positive contribution – such as where an issuer produces a particularly sustainable product whose importance to people or the planet is not fully captured by the issuer's overall score. Alternatively, it could be relevant where the investment manager is able to supply additional data to enhance a calculation – such as where an issuer does not publish details of employee salaries, but the investment manager is able to obtain or more accurately estimate this from other sources.

The Fund may also invest in green, social or sustainable bonds ("GSS Bonds") as part of the 70% referred to above. For these investments, the investment manager does not take into account the SustainEx™ score of the issuer, but instead analyses the use of proceeds of the GSS Bond to determine whether a positive contribution to the planet or people can be expected as a result of the specific activity that the bond is designed to finance. It does this by assessing each GSS Bond's adherence to a set of robust principles established by the International Capital Market Association or an equivalent body.

Please see "What is the investment manager's approach to sustainability?" below for more details on how the investment manager assesses sustainability and why it has determined that this approach is an appropriate way to identify investments that are sustainable.

The Fund is not permitted to invest in any assets 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 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.

A. 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.

B. 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 bonds that the investment manager classifies as sustainable. These are investments that make a positive contribution to: (1) the **planet** (the environment); and/or (2) **people** (workforce wellbeing; public and consumer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions).

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

By investing in bonds that are assessed as providing a positive contribution to people and/or the planet, the Fund aims to help the issuers continue to implement (and potentially expand) their sustainable activities, or in the case of GSS Bonds, to support the sustainable activities that the bonds are designed to fund.

The Fund's holdings of such bonds may also allow the investment manager, through engagement with 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 bond. For example, a company that enables greater access to clean water and sanitation contributes to the positive outcome of improving people's health and a sovereign which invests in more education enables a more informed and equitable society. However, as sustainability is assessed across a range of positive contributions, no specific individual outcome can be guaranteed at either issuer, bond or Fund level.

C. 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 sustainable investments?

A fund using a 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 bond is classified as sustainable if (i) it achieves a positive score in Schroders' systematic model (SustainEx™); (ii) the Panel determines that it would achieve a positive SustainEx™ score if additional robust evidence was available to the model and included in the calculation of the score; or (iii) the bond is classified as a GSS Bond. The investment manager's approach to assessing sustainability, as described further 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.

For investments other than GSS Bonds

What is SustainEx™?

The bond is analysed using SustainEx™. SustainEx™ calculates the combined environmental and social costs and benefits of the bond 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, 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 sovereign's carbon emissions, its levels of biodiversity loss, the levels of international aid provided, and its literacy rates. If a sovereign scores +1%, this means that for every £100 of GDP the sovereign generates, it would provide a positive contribution to people and/or the planet of £1.

If a bond achieves a positive score, the investment manager determines that it provides a positive contribution to people and/or the planet, and therefore is sustainable, for the following reasons:

- **The score demonstrates positive contribution to the planet and/or people** - SustainEx™ assesses companies against around 40 metrics and sovereigns against around 29 metrics to determine their overall contribution to people and the planet. As explained further below, each metric is an individual indicator of an issuer's contribution to one of the stakeholder areas identified in the sustainability objective. By scoring positively on at least one of these indicators, an issuer

therefore demonstrates that it is making a positive contribution to at least one of the stakeholder areas. In addition, for an issuer to operate in a sustainable way, it should make positive sustainability contributions without exploiting people or the planet in such a way that offsets these positive contributions. To achieve a positive overall score in SustainEx™, an issuer not only needs to positively contribute to one of the stakeholder groups (as determined by the metrics); its positive contribution must also be significant enough to offset other negative effects on people and/or the planet it may have (as determined by the metrics). This means that the investment manager can be confident that the bonds of such issuers are aligned with the Fund's sustainability objective and are providing a robust positive contribution to people and/or the planet on an overall basis.

- **Holistic assessment of externalities** – SustainEx™ provides a framework for assessing an issuer's sustainability through the economic lens of 'externalities'. Externalities are the costs or benefits that a third party experiences as a result of an economic activity, which are not reflected in the actual financial costs and benefits incurred by the company or sovereign. Externalities may be positive - for example, an issuer that invests in renewable energy creates a positive externality for society, which benefits from lower emissions. Externalities may also be negative – for example, if an issuer contributes to pollution or natural resource depletion. These can lead to environmental degradation, affecting air and water quality, biodiversity loss, and contributing to climate change. By understanding an issuer's exposure to specific externalities, as well as its overall effect across a wide range of them, the investment manager gains a more comprehensive understanding of its overall sustainability. An assessment of issuers' externalities has also been highlighted externally as a lens through which to assess sustainability, for example by the United Nations Principles for Responsible Investment - the industry's largest global network supporting sustainable investment.

- **Robust and systematic process** – SustainEx™ is based on in-depth internal research, which has included establishing the relevance of various factors to the sustainability outcomes referred to in the sustainability objective. In order to identify the metrics (both positive and negative) to include in SustainEx™, Schroders adopted a stakeholder framework, focusing on the key stakeholders with which issuers interact: the environment, workers, the public and consumers, communities and institutions. A list of potential metrics was then produced, drawing from reports such as The Economics of Ecosystems and Biodiversity analysis of natural capital and the costs of its damage; consultants' frameworks to assess issuers' social and environmental effects; and case studies summarised by World Business Council for Sustainable Development and the United Nations Sustainable Development Goals. This list of potential metrics was reduced based on the availability of a robust quantification and measurement of the associated externality. The measures selected must be:
  - Quantifiable - so that costs and benefits can be measured and compared objectively.
  - Attributable - to ensure effects can be sensibly allocated between issuers.
  - Disclosed - widely enough that comparison between global issuers or countries is possible.
  - Transparent - so that users can understand their meaning.

Through this process, Schroders identified around 40 metrics (for companies) and around 29 metrics (for sovereigns) that measure the environmental and social externalities that an issuer creates during a year, and that are directly relevant to the sustainability contribution they make. The model's quantitative nature provides objective measurement and analysis of sustainability performance, and strengthens and complements the research-led approach of Schroders' fund managers, as the tool is developed independently of the fund managers and grounded in external academic research.

The data driving the systematic model comes from a range of sources, including third-party market data vendors as well as specialist sustainability data providers. To ensure that the data used is robust, it is subject to a data acceptability assessment. This includes consideration of the accuracy of the data, its coverage, delivery mechanism, use of identifiers to match the data points to issuers and countries, timeliness, and longevity. Data quality checks are also performed on an ongoing basis. This helps the investment manager to identify where the data has changed and why, as well as highlighting potentially inaccurate data. A process is in place to promptly correct data errors if necessary. All data providers are also subject to Schroders' Group Procurement and Outsource and Supplier Oversight Policies, which include detailed requirements with respect to the initial due diligence required as part of supplier selection, and ongoing monitoring.

To ensure that SustainEx™ remains a robust and reliable measure of sustainability, Schroders is committed to continuous enhancement, addressing both new metrics and refinements to existing ones. This structured, evidence-based approach enables us to enhance SustainEx™ continually, ensuring it effectively measures alignment with the sustainability objective.

- **Panel exceptions process** - the Panel review process described below gives the investment manager the flexibility to seek approval for investments where standard data or modelling limitations mean that relevant evidence is not taken into account. This means that legitimately sustainable investments are not excluded because they fail a systematic test. Evidence approved via the Panel is reviewed against a standard framework, in order to maintain a consistent process across investments. The framework does not vary based on the type of investment, even though the evidence submitted may be different.

In practice, an investment's SustainEx™ score will illustrate the following:

SustainEx™ Score	Description
Positive (>0)	The issuer operates sustainably, making a positive contribution in at least one of the following areas: the environment; workforce wellbeing; public and consumer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions.

	An issuer that scores positively in SustainEx™ will indicate a good or excellent contribution in at least one of these areas, such as having high levels of avoided emissions, paying salaries significantly above a living wage, or having policies in place to preserve biodiversity, while also not producing significant costs to people or the planet (based on SustainEx™ metrics).
Negative (≤0)	Although the issuer may make some positive contributions to the environment; workforce wellbeing; public and consumer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions, these are outweighed by its negative effects (as determined by the SustainEx™ metrics). An issuer that scores negatively in SustainEx™ may make positive contributions in some areas, but will have a negative effect in others (such as having high levels of GHG emissions, paying below living wages or providing inadequate protections against biodiversity loss) in a way that offsets the good contributions. Alternatively, it may indicate few positive contributions and/or may score very poorly in certain areas (for example, by having very high level of GHG emissions and paying salaries far below a living wage).

As an example, a sovereign may produce carbon emissions but the negative environmental effect of these is offset by the positive contribution it makes to people through world leading higher education provision and medical research. Alternatively, a company which sells wind turbines provides a positive contribution to the environment through the carbon emissions that are avoided over the period the turbines are operational. However, wind turbines are made by mining natural resources; carbon is emitted during their production; and people working to build them could experience dangerous working conditions or be paid below the living wage. In each case, to calculate whether an issuer is providing a positive contribution to people or the planet overall, it is necessary to establish the value of the benefits of its activities against the costs (as determined by the SustainEx™ metrics).

What is the Panel?

The Investment Manager recognises that no model can fully reflect the specific circumstances of every individual issuer. Therefore, in some exceptional cases, SustainEx™, does not provide a full reflection of an issuer's sustainability. This could be relevant where:

- **the model's calculation does not capture a relevant area of positive contribution**- for example, a company may own a large amount of woodland which provides a positive contribution to the environment by taking carbon dioxide out of the atmosphere. However, those avoided carbon emissions are understated in SustainEx™ because woodland ownership cannot be assessed consistently by the model across the full investment universe. If the investment manager is able to access robust information from the issuer that allows that benefit to be calculated, evidence regarding the avoided carbon emissions could be provided by the investment manager in order to adjust the negative scoring on that metric.
- **the model's calculation uses estimated data that does not reflect the issuer's contribution** – for example, some companies do not report the salaries they pay employees, which means that SustainEx™ uses estimated values based on companies with similar characteristics to calculate the "fair pay" metric. If the investment manager is able to identify other information provided by the issuer (for example, it may be possible to adjust the SustainEx™, score using that alternative data, which provides a more accurate view than the estimates that would otherwise be applied. As another example, the social value of school education is ordinarily calculated using data from The World Bank's "Government Expenditure on Education (%GDP)" data. Where The World Bank has not provided data for a country, education spend is estimated based on a country's GDP per capita, applying a penalty for non-disclosure. If the investment manager can identify the actual data for educational spend as a percentage of GDP for the country, this offers a more accurate calculation than adopting the GDP proxy approach and the education metric will be adjusted (up or down accordingly) to reflect this external information.

The investment manager can refer such investments to the Panel. The Panel reviews additional robust evidence provided by the investment manager to determine whether, if such evidence was available to SustainEx™, the investment would achieve a positive score. The Panel uses a standard framework to assess all evidence submitted, in order to maintain a consistent and systematic review process. The framework assesses evidence submitted based on the following:

- Is the reason for the proposed adjustment to the SustainEx™, score clear and valid?
- If a negative SustainEx™, score is due to erroneous data, is the proposed correction valid, supported by robust evidence, and does it result in the issuer's adjusted SustainEx™, score becoming positive?
- If a negative SustainEx™, score is due to incomplete information, is there robust evidence that, if included within the SustainEx™calculation, would result in a positive adjusted score?

The Panel comprises sustainability specialists from Schroders' Sustainable Investment team and senior representatives from Schroders' Legal, Investment Risk and Compliance teams. Panel members advise the Panel Chair (the Global Head of Sustainable Investment) on whether to approve or reject investments for categorisation as sustainable investments. Panel members from the Sustainable Investment team have voting rights on which recommendation to give to the Panel Chair. Their role is to assess the sustainability credentials of the evidence submitted and to adjust the effective SustainEx™, score based on that evidence. A majority vote is required for an investment to be recommended to the Chair 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 to ensure that the voting members have followed the correct procedure in reaching a recommendation and the evidence provided is drawn from robust sources. The Panel's decisions are documented and once an issuer has been approved as sustainable, this status is incorporated into portfolio compliance coding for the Fund. Once an individual issuer has been approved by the Panel, the ongoing positive contribution of that issuer is regularly reviewed by the investment manager to ensure that it remains aligned with the Panel's requirements.

For GSS Bonds

The investment manager may also invest in Green, Social or Sustainable bonds (GSS Bonds) that it classifies as sustainable investments. A green bond is fixed or floating rate security designed to raise capital for defined projects that deliver environmental benefits. A social bond is a fixed or floating rate security that finances projects with a social objective. A sustainable bond is a fixed or floating rate security that finances projects with both environmental and social objectives.

As the proceeds as these bonds are designed to finance a specific positive outcome for people and/or the planet, the investment manager does not take into account the SustainEx™ score of the issuer when deciding whether a GSS Bond is aligned with the sustainability objective.

The investment manager will only invest in GSS Bonds which adhere to the standards set by the International Capital Market Association (ICMA) (or an equivalent body). ICMA is a not-for-profit global trade association which aims to build trust in capital markets by promoting internationally accepted standards of best practice through development of guidelines, rules and standards. It has established voluntary guidelines for issuers of GSS Bonds known as the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. To align a bond with ICMA's standards and categorize it as a GSS bond, issuers should adhere to the following core components:

Use of Proceeds: Clearly define and disclose how the bond proceeds will be exclusively allocated to eligible green and/or social projects. For instance, green projects may include renewable energy or energy efficiency initiatives, while social projects might encompass affordable housing or access to essential services.

Process for Project Evaluation and Selection: Establish and communicate the criteria and decision-making process for selecting eligible projects. This includes outlining the environmental and social objectives, as well as any exclusion criteria.

Management of Proceeds: Implement a transparent process to track and manage the allocation of bond proceeds to ensure they are directed to the intended eligible projects. This may involve segregating the funds or using a formal internal tracking system.

Reporting: Commit to regular, at least annual, reporting on the use of proceeds and the environmental and/or social impact of the financed projects. This enhances transparency and allows investors to assess the effectiveness of the bond in achieving its stated objectives.

A link to the principles can be found here Green Bond Principles » ICMA (icmagroup.org).

If a bond is classified as a GSS Bond, the investment manager determines that it provides a positive contribution to people and/or the planet because this 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.

In addition to the assessment of whether an investment is sustainable (as described above), does the investment manager carry out any other sustainability-related checks on investments?

For sovereign bonds, only those sovereign issuers whose activities and behaviours are independently measured as being in line with the UN Sustainable Development Goals are deemed eligible for inclusion in the investment universe, while countries making insufficient progress are not eligible. To further support the objective of allocating capital only to issuers that can demonstrate behaviour in line with the UN SDGs, countries are also judged on other core criteria relating to the level of political and civil liberty afforded to their citizens and to their commitments to addressing climate and environmental issues. Exceptions to the criteria may be permitted through allocation to GSS Bonds from sovereigns that would otherwise be excluded. Building on the foundation of the defined universe, the investment manager applies a top-down scenario-driven investment process to allocate capital and risk to selected investment opportunities from the sovereign universe, and to credit holdings.

For corporate bond selection – which is performed by the investment manager's specialist credit investment teams based on the evolution of top-down sustainable-driven themes and bottom-up assessment of individual issuers – the Fund aims to identify issuers demonstrating good or improving sustainability credentials. This involves the inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the investment manager's sustainability rating methodology, while excluding issuers that the investment manager identifies as materially damaging to the environment or that impose unjustifiable social costs.

The Fund is permitted to invest in certain asset-backed securities (ABS) – specifically whole business corporate loans; and covered bonds. Sustainability assessment for whole business corporate loans and covered bonds is performed by the investment manager's specialist credit investment teams as set out for corporate bonds above.

The primary sources of information used to perform this analysis are the investment manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers the investment manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

These processes are separate to the assessment of whether an investment meets the Fund's sustainability objective (as described above), and are not relevant in determining whether the Fund has invested at least 70% of its assets in line with that 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.

As the Fund aims to invest in bonds that provide a positive contribution to people and/or the planet, the investment manager defines conflicting assets as bonds which have a

significant negative effect on people and/or the planet. These are bonds of issuers that are directly and materially exposed to activities that are directly and materially exposed to activities that are significantly damaging to the environment; and bonds of issuers that are directly and materially exposed to activities or actions and/or have an unjustifiable cost to society. Such issuers are identified using the following measures:

Companies

Area of harm	Threshold
Carbon emissions	Companies with a carbon intensity (a measure of high carbon emissions) of more than 20,000 tonnes of CO2 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.
Severe biodiversity loss	Breach of Schroders' 'Global Norms' exclusions. Schroders' definition of Global Norms considers widely recognised principles such as the UNGC principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Fundamental Conventions. Schroders has created a proprietary framework to identify, assess and engage companies that we deem to have potentially breached Global Norms. The output of this framework is a 'Global Norms Breach List' comprised of companies that have: been identified as causing significant damage; not sufficiently addressed the issue in question through transparent communications and action; and not provided sufficient remedy for affected stakeholders. To identify Global Norms violators, the investment manager monitors ESG controversies through a number of sources, such as third party data providers, NGOs, industry reports and academic institutions.
Hazardous waste generation	
Complicity in severe human rights abuses and incidents	
Complicity in major corruption	

Sovereigns

Area of harm	**Threshold**
Greenhouse gas intensity	Countries with a carbon intensity (a measure of high carbon emissions) of morethan 2,800 tonnes / billion $ of GDP.
Social violations	Countries subject to the UN sanctions list.

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 investing in issuers with direct exposure above a certain level to certain harmful activities or products (such as fossil fuels, conventional and controversial weapons, tobacco, alcohol, gambling and adult entertainment).

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 sustainable investments, 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 sustainable investments, and why.

The Fund invests at least 70% of its portfolio in bonds that have been deemed sustainable using the assessment outlined in "How does the investment manager identify sustainable investments?" above.

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 determines may be able to meet the sustainability objective over time, or other investments that the investment manager deems 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.

D. 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 the way they are managed and/or the goods and services they sell, all issuers have both negative and positive effects on society and the environment. Although the Fund aims to select bonds that provide a positive contribution to people and/or the planet, issuers of such bonds will 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.

a sovereign may adopt economic policies that promote lower carbon 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).

a sovereign may adopt foreign policies that support refugee processing, with a corresponding increase in long term economic participation, but result in a decrease in sociopolitical stability.

a sovereign may adopt agricultural policies that increase crop yields which provides the social benefit of greater food security, but may also create an environmental cost due to biodiversity loss.

E. 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 issuers, 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 hold in investments that do not reflect the beliefs and values of particular Unitholders.

G. 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 sustainable investments 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.

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 its sustainability objective over time. This section sets out the relevant KPIs for the Fund.

The investment manager uses KPIs to assess whether the Fund is meeting its sustainability objective. Within SustainEx™, each metric has certain KPI(s) that are used, for example:

- o GHG emissions (tonnes of CO2 equivalent)
- o Energy created from renewable energy (GWh)
- o Total water withdrawal (cubic meters)
- o Total waste generated (tonnes)
- o Health & Safety: Accident rates
- o Health & Safety: Fatalities (number of employees and contractors)
- o Dollar value of community donations
- o Dollar value of employee training
- o Emissions which degrade air quality (tonnes of NOx, SOx, VOCs)
- o Education spend as percentage of GDP

An investment's performance against these KPIs is used to calculate its overall SustainEx™ score, which is monitored on an ongoing basis to ensure that investments remain aligned with the sustainability objective.

The manager also reports on the KPIs below, which aim to illustrate whether the Fund has invested in bonds that the investment manager assessed as providing a positive contribution to people and/or the planet 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.

KPI	Purpose
Overall sustainability score of the Fund	The overall sustainability score is based on Schroders' systematic model, SustainEx™, as described under "*How does the investment manager identify sustainable investments?*" above. The investment manager calculates SustainEx™ scores for bonds in the Fund to arrive at the total Fund score. The overall score is a measure of the Fund's sustainability performance relative to the benchmark stated in its investment objective. The benchmark is representative of the investment universe of the Fund before its sustainability criteria have been applied, so comparing the sustainability scores of the Fund and the benchmark provides an indication of the effect of the Fund's sustainable investment strategy.
Overall planet score of the Fund	The planet score is also calculated using SustainEx™, and represents the Fund's environmental performance relative to its benchmark, as described above.
Overall people score of the Fund	The people score is also calculated using SustainEx™, and represents the Fund's social performance relative to its benchmark, as described above.
Percentage of investments that are sustainable	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 illustrates the actual percentage of the Fund made up of sustainable investments, as determined by the assessment described under "*How does the investment manager identify sustainable investments?*" above.
Investments that are classified as sustainable based on Panel review	As described above, where a bond does not achieve a positive SustainEx™ score, the investment manager can ask the Panel to review additional evidence to determine whether, if such evidence was available to SustainEx™, the investment would achieve a positive score. This KPI illustrates the Fund's exposure to investments which achieved a positive score through this Panel process.

H. 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 issuers held by the Fund to support the achievement of the Fund's sustainability objective. This means working with issuers, where appropriate, to try to increase their positive contributions to people and the planet, and reduce the size of their negative contributions.

Engagements with companies

As the Fund aims to select investments that provide a positive contribution to people and/or the planet, the investment manager typically engages with companies on some of the following stakeholder considerations:

- **Environment**: engagement topics may include encouraging companies to align their business models with the transition to a net zero economy; and to implement responsible waste disposal, recycling and lifecycle management practices to promote a circular economy across the lifecycle of their products.
- **Workers**: engagement topics may include encouraging companies to provide appropriate training and development opportunities for their employees.
- **Public and consumers**: engagement topics may include encouraging companies to ensure that products and services do not adversely affect human rights.
- **Communities:** engagement topics may include encouraging companies to commit to supporting local communities who may experience indirect job losses from the company's operations in the area.
- **Institutions**: engagement topics may include encouraging companies to disclose the full extent of taxes paid or collected in each country of operation.

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.
- 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 coordinated engagement and voting with other investment teams, asset managers or asset owners where the investment manager determines that this will have greater effect.

Engagement with sovereign issuers

Where the Fund holds investments in sovereign securities, the rights and responsibilities that the investment manager has are fundamentally different to those that it has as an investor in companies. The investment manager's approach to engagement will therefore differ from its approach to engagement with corporate issuers. Where appropriate, the investment manager seeks to participate in constructive dialogue with relevant government stakeholders, using Schroders' sustainability and investment expertise, to offer insights into the effects of their policy agenda and spending.

The focus of the investment manager's engagement with sovereign issuers is typically on the environment stakeholder area, where it may seek to engage with certain issuers on their action to address the systemic risks arising from climate change and nature loss.

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 approach to stewardship is set out in its Engagement Blueprint, found here: https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf

I. What actions does the investment manager take if an investment ceases to be sustainable, or doesn't perform well enough against the KPIs?

This section explains what the next steps will be if an investment ceases to be aligned with the sustainability objective or is not performing well enough against the KPIs.

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 bonds will be made while the investment manager evaluates the effect and considers next steps. If the investment manager subsequently no longer classifies a bond as 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 in the investment policy. The investment manager may also engage with the issuer to obtain more information to inform its assessment and/or to encourage the issuer to address its concerns, with a view to the asset meeting the investment manager's criteria for sustainable investments again.

Fund characteristics

Date of authorization	9 October 1992
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q1 Accumulation and Q1 Income S Accumulation and S Income S Accumulation EUR Hedged and S Income EUR Hedged S Accumulation USD Hedged X Accumulation and X Income 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	31 December
Half-yearly accounting date	30 June
Other accounting dates	X Income (Monthly): 31 January, 28 February, 31 March, 30 April, 31 May, 31 July, 31 August, 30 September, 31 October, 30 November
Income allocation dates	X Income (Monthly): 31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November and 31 December. All other Units: 28 February and 31 August
Profile of a typical investor	The Fund is a low to medium risk Fund aiming to provide income and capital growth in excess of the ICE BofA Sterling 3-Month Government Bill index plus 2.5% (after fees have been deducted) over any three to five year period, by investing directly in fixed and floating securities issued by governments, government agencies and companies worldwide which meet the investment manager's sustainability criteria. 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, and who have expressed sustainability preferences that are aligned with the sustainability objective of the Fund. 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 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 of the ICE BofA Sterling 3-Month Government Bill Index plus 2.5% and compared against the Bloomberg Multiverse ex Treasuries A+ to B- GBP hedged index and the Investment Association Sterling Strategic Bond 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	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 the investment manager and the manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Exclusion thresholds	The Fund does not directly invest in certain activities, industries or groups of issuers above certain limits listed under 'Sustainability Information' on the Fund's webpage, accessed via www.schroders.com/en/uk/private-investor/gfc.
Global risk exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. For further information please see **Appendix 2 Section 6:** 'Using Derivatives for specific investment purposes'. The Fund employs the absolute Value-at-Risk (VaR) approach to measure its global risk exposure.
Expected level of leverage	500% The expected level of leverage may be higher when markets are more volatile, impacting the value of the derivative positions held by the Fund. See [Appendix 2 Section 6: 'Derivatives and forwards'] for further information.
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 annual management fee 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.
Issuer concentration	The Fund is permitted to invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State/governments of the following countries: United Kingdom
Total return swaps	The Fund will 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 130% and is expected to remain within the range of 0% to 50% of the Net Asset Value. In certain circumstances this proportion may be higher.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – ABS and MBS risk – Capital erosion risk – Credit risk – Currency risk – Derivatives risk – High yield bond risk – IBOR risk – Interest rate risk – Liquidity risk – Market risk – No capital guarantee risk – Operational risk – Performance risk – Sustainable investing risk A full description of each of these risks can be found in **Appendix 3**.

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	0.60%	0.00%
L	None	None	None	Up to 0.50%	0.00%
Q1	None	None	None	Up to 0.50%	0.00%
S	None	None	None	Up to 1.00%	0.00%
S (Hedged)	None	None	None	Up to 1.00%	0.00%

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
X	£25,000,000	£10,000,000	£25,000,000	0.05%	0.00%
Z	£50,000	£10,000	£50,000	0.50%	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 Sustainable Multi-Factor Equity Fund (PRN 811650)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI All Countries World (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity-related securities of companies worldwide which the investment manager classifies as sustainable. These are companies that, through the way they are managed and/or the goods and services that they sell, make a positive contribution to the Planet (the environment); and/or People (employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions).

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity-related securities of companies worldwide that focus on a range of equity factors (also commonly known as investment styles). Companies will be simultaneously assessed on all targeted equity factors using a fully integrated systematic, bottom-up investment approach.

Relevant factors may include the following:

- Low volatility – involves evaluating indicators such as share price movement and historical performance to determine those securities that the investment manager believes will experience smaller price movements than the global equity markets on average
- Momentum – involves evaluating trends in stocks, sectors or countries within the relevant equity market
- Quality – involves evaluating indicators such as a company's profitability, stability and financial strength
- Value – involves evaluating indicators such as cash flows, dividends and earnings to identify securities that the investment manager believes have been undervalued by the market
- ESG - involves evaluating challenges and opportunities companies face from environmental, social and governance considerations

The Fund maintains a carbon intensity score that is at least 50% lower than the score of its benchmark, the MSCI All Countries World (Net Total Return) index, measured using data from a third-party provider. Carbon intensity is a measure of a portfolio's exposure to companies with high carbon emissions.

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 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 in assets that the investment manager classifies as sustainable. A company is considered to be sustainable if it makes a positive contribution to:

- **Planet**. This includes contributions to the environment - such as reducing greenhouse gas (GHG) emissions, which helps slow down climate change.

and/or

- **People**. This includes contributions to one or more of the following:
  - employee wellbeing - such as paying more than living wages or providing training to employees, which supports their professional development and prosperity.
  - customer wellbeing - such as developing new products and services that improve customers' quality of life, for example medical drugs, therapies, diagnostic tools and healthy food.
  - healthy, inclusive and connected communities – such as providing access to clean water and sanitation (which promotes good health).
  - effective and accountable institutions – such as promoting financial stability, which supports people's prosperity and financial security.

A company is classified as sustainable if it achieves a positive score in Schroders' systematic model (SustainEx™). SustainEx™ produces an assessment of the company's effect on a defined set of benefits and costs for people and the planet, which are then combined to calculate an overall sustainability score for the company. A company must achieve a positive score to be deemed sustainable. The model is based on in-depth internal research, which has included establishing the relevance of various factors to the sustainability outcomes referred to above.

In some exceptional cases, SustainEx™ does not provide a fair reflection of a company's contribution to people and/or the planet. The investment manager can refer such companies 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 was available to SustainEx™, the company would achieve a positive score. This could be relevant where SustainEx™ does not capture an area of positive contribution – such as where a company produces a particularly sustainable product whose importance to people or the planet is not fully captured by the company's overall score. 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.

Please see *"What is the investment manager's approach to sustainability?"* below for more details on how the investment manager assesses sustainability and why it has determined that this approach is an appropriate way to identify companies that are sustainable.

The Fund is not permitted to invest in any assets 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 companies 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.

A. 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.

B. 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 companies that the investment manager classifies as sustainable. These are companies that, through the way they are managed and/or the goods and services that they sell, make a positive contribution to: (1) the **planet** (the environment); and/or (2) **people** (employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions).

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

By investing in companies that are assessed as providing a positive contribution to people and/or the planet, the Fund aims to help them continue to implement (and potentially expand) their sustainable activities.

The Fund's holdings in such companies may also allow the investment manager, through engagement with management teams, 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 company. 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 contributions, no specific individual outcome can be guaranteed at either company or Fund level.

C. 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 sustainable companies?

A fund using a Sustainability Focus 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 is classified as sustainable if (i) it achieves a positive score in Schroders' systematic model, SustainEx™; or (ii) the Panel determines that the company would achieve a positive SustainEx™ score if additional robust evidence was available to the model and included in the calculation of the score.

What is SustainEx™?

Each proposed investment is first analysed using SustainEx™. SustainEx™ calculates the combined environmental and social costs and benefits of each company 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.

Some metrics are almost always positive (for example, when a company provides power, access to water, sanitation services or medicines) and some are almost always negative (for example, when a company emits carbon and other greenhouse gases (GHG), produces food waste or uses water unsustainably). Some can be both positive and negative depending on a company's approach to them (or example, paying living wages generates a benefit while paying less than a living wage generates a cost). The individual metric scores are added together to produce an overall sustainability score for the company. This is measured relative to the revenue a company generates from its products and services (the company's sales) so, if a company scores +2%, this means that for every £100 sales the company generates, it would provide a positive contribution to society and the environment of £2.

If a company achieves a positive score, the investment manager determines that it provides a positive contribution to people and/or the planet, and therefore is sustainable, for the following reasons:

- **The score demonstrates positive contribution to the planet and/or people** - SustainEx™ assesses companies against around 40 metrics – as explained further below, each metric is an individual indicator of a company's contribution to one of the stakeholder areas identified in the sustainability objective. By scoring positively on at least one of these indicators, a company therefore demonstrates that it is making a positive contribution to at least one of the stakeholder areas. In addition, for a company to operate in a sustainable way, it should make positive sustainability contributions without exploiting people or the planet in such a way that offsets these positive contributions. To achieve a positive overall score in SustainEx™, a company not only needs to positively contribute to one of the stakeholder groups (as determined by the metrics); its positive contribution must also be significant enough to offset other negative effects on people and/or the planet it may have (as determined by the metrics). This means that the investment manager can be confident that such companies are aligned with the Fund's

sustainability objective and are providing a robust positive contribution to people and/or the planet on an overall basis.

- **Holistic assessment of externalities** – SustainEx™ provides a framework for assessing a company's sustainability through the economic lens of 'externalities'. Externalities are the costs or benefits that a third party experiences as a result of an economic activity, which are not reflected in the actual financial costs and benefits incurred by the company. Externalities may be positive - for example, a company that invests in renewable energy or innovative new products creates a positive externality for society, which benefits from lower emissions or improved living standards. Externalities may also be negative – for example, pollution or natural resource depletion. These can lead to environmental degradation, affecting air and water quality, biodiversity loss, and contributing to climate change. By understanding a company's exposure to specific externalities, as well as its overall effect across a wide range of them, the investment manager gains a more comprehensive understanding of its overall sustainability. An assessment of companies' externalities has also been highlighted externally as a lens through which to assess sustainability, for example by the United Nations Principles for Responsible Investment - the industry's largest global network supporting sustainable investment.
- **Robust and systematic process** – SustainEx™ is based on in-depth internal research, which has included establishing the relevance of various factors to the sustainability outcomes referred to in the sustainability objective. In order to identify externalities (both positive and negative) to include in SustainEx™, Schroders adopted a stakeholder framework, focusing on the key stakeholders with which companies interact: the environment, employees, consumers, communities and institutions. A list of potential metrics was then produced, drawing from reports such as The Economics of Ecosystems and Biodiversity analysis of natural capital and the costs of its damage; consultants' frameworks to assess companies' social and environmental effects; and companies' case studies summarised by World Business Council for Sustainable Development and the United Nations Sustainable Development Goals. This list of potential metrics was reduced based on the availability of a robust quantification and measurement of the associated externality. The measures selected must be:
  - Quantifiable - so that costs and benefits can be measured and compared objectively.
  - Attributable - to ensure effects can be sensibly allocated between companies.
  - Disclosed - widely enough that comparison between global companies or countries is possible.
  - Transparent - so that users can understand their meaning.

Through this process, Schroders identified around 40 metrics that measure the environmental and social externalities that a company creates during a year, and that are directly relevant to the sustainability contribution they make. The model's quantitative nature provides objective measurement and analysis of sustainability performance, and strengthens and complements the research-led approach of Schroders' fund managers, as the tool is developed independently of the fund managers and grounded in external academic research.

The data driving SustainEx™ comes from a range of sources, including third-party market data vendors as well as specialist sustainability data providers. To ensure that the data used is robust, it is subject to a data acceptability assessment. This includes consideration of the accuracy of the data, its coverage, delivery mechanism, use of identifiers to match the data points to companies and countries, timeliness, and longevity. Data quality checks are also performed on an ongoing basis. This helps the investment manager to identify where the data has changed and why, as well as highlighting potentially inaccurate data. A process is in place to promptly correct data errors if necessary. All data providers are also subject to Schroders' Group Procurement and Outsource and Supplier Oversight Policies, which include detailed requirements with respect to the initial due diligence required as part of supplier selection, and ongoing monitoring.

To ensure that SustainEx™ remains a robust and reliable measure of sustainability, Schroders is committed to continuous enhancement, addressing both new metrics and refinements to existing ones. This structured, evidence-based approach enables us to enhance SustainEx™ continually, ensuring it effectively measures alignment with the sustainability objective.

- **Panel exceptions process** - the Panel review process gives the investment manager the flexibility to seek approval for companies where standard data or modelling limitations mean that relevant evidence is not taken into account. This means that legitimately sustainable companies are not excluded because they fail a systematic test. Evidence approved via the Panel is reviewed against a standard framework, in order to maintain a consistent process across companies. The framework does not vary based on the type of company, even though the evidence submitted may be different.

The investment manager's approach to assessing sustainability described above have been assessed by the investment manager's Risk and Compliance functions, which are independent of the investment decision making process for the Fund, and they have deemed this approach to be a robust, evidence-based standard that is an absolute measure of environmental and/or social sustainability.

In practice, a company's SustainEx™ score will illustrate the following:

SustainEx™ Score	Description
Positive (>0)	The company operates sustainably, making a positive contribution in at least one of the following areas: the environment; employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions. A company that scores positively in SustainEx™ will indicate a good or excellent contribution in at least one of these areas, such as having high levels of avoided emissions or paying salaries significantly above a living wage, while also not producing significant costs to people or the planet (based on SustainEx™ metrics).
Negative (≤0)	Although the company may make some positive contributions to the environment; employee wellbeing; customer wellbeing; healthy, inclusive and connected communities; and/or effective and accountable institutions, these are outweighed by its negative effects (as determined by the SustainEx™ metrics). A company that scores negatively in SustainEx™ may make positive contributions in some areas, but will have a negative effect in others (such as having high levels of GHG emissions or paying below living wages) in a way that offsets the good contributions. Alternatively, it may indicate few positive contributions and/or may score very poorly in certain areas (for example, by having very high level of GHG emissions and paying salaries far below a living wage).

As an example, a company which sells wind turbines provides a positive contribution to the environment through the carbon emissions that are avoided over the period the turbines are operational. However, wind turbines are made by mining natural resources; carbon is emitted during their production; and people working to build them could experience dangerous working conditions or be paid below the living wage. To calculate whether a company selling wind turbines is providing a positive contribution to people or the planet overall, it is necessary to establish the value of the benefit of avoiding carbon emissions (and any other positive metrics), and to compare this against the cost of using natural resources, emitting carbon and negative effects on workers (and any other negative metrics).

What is the Panel?

The investment manager recognises that no model can fully reflect the specific circumstances of every individual company. Therefore, in some exceptional cases, SustainEx™ does not provide a full reflection of a company's sustainability. This could be relevant where:

- the model's calculation does not capture a relevant area of positive contribution - for example, a company may own a large amount of woodland which provides a positive contribution to the environment by taking carbon dioxide out of the atmosphere. However, those avoided carbon emissions are understated in SustainEx™ because woodland ownership cannot be assessed consistently by the model across the full investment universe. If the investment manager is able to access robust information from the company that allows that benefit to be calculated, evidence regarding the avoided carbon emissions could be provided by the investment manager in order to adjust the negative scoring on that metric.
- the model's calculation uses estimated data that does not reflect the company's contribution – for example, some companies do not report the salaries they pay employees, which means that SustainEx ™ uses estimated values based on companies with similar characteristics to calculate the "fair pay" metric. If the investment manager is able to identify other information provided by the company (for example, median wages may be published), it may be possible to adjust the SustainEx™ score using that alternative data, which provides a more accurate view than the estimates that would otherwise be applied.

The investment manager can refer such companies to the Panel. The Panel reviews additional robust evidence provided by the investment manager to determine whether, if such evidence was available to SustainEx™, the company would achieve a positive score. The Panel uses a standard framework to assess all evidence submitted, in order to maintain a consistent and systematic review process. The framework assesses evidence submitted based on the following:

- Is the reason for the proposed adjustment to the SustainEx™ score clear and valid?
- If a negative SustainEx™ score is due to erroneous data, is the proposed correction valid, supported by robust evidence, and does it result in the company's adjusted SustainEx™ score becoming positive?
- If a negative SustainEx™ score is due to incomplete information, is there robust evidence that, if included within the SustainEx ™ calculation, would result in a positive adjusted score?

The Panel comprises sustainability specialists from Schroders' Sustainable Investment team and senior representatives from Schroders' Legal, Investment Risk and Compliance teams. Panel members advise the Panel Chair (the Global Head of Sustainable Investment) on whether to approve or reject investments for categorisation as sustainable investments. Panel members from the Sustainable Investment team have voting rights on which recommendation to give to the Panel Chair. Their role is to assess the sustainability credentials of the evidence submitted and to adjust the effective SustainEx™ score based on that evidence. A majority vote is required for a company to be recommended to the Chair 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 to ensure that the voting members have followed the correct procedure in reaching a recommendation and the evidence provided is drawn from robust sources. The Panel's decisions are documented and once a company has been approved as sustainable, this status is incorporated into portfolio compliance coding for the Fund. This allows the investment manager to systematically monitor that at least 70% of the Fund's portfolio is invested in companies that achieve a positive score in SustainEx ™ (whether directly, or through an adjusted calculation based on robust evidence provided to the Panel). Once an individual company has been approved by the Panel, the ongoing positive contribution of that company is regularly reviewed by the investment manager to ensure that it remains aligned with the Panel's requirements.

In addition to the assessment of whether a company is sustainable (as described above), does the investment manager carry out any other sustainability-related checks on investments?

The Fund maintains a carbon intensity score that is at least 50% lower than the score of its benchmark, the MSCI All Countries World (Net Total Return) index, measured using data from a third-party provider. Carbon intensity is a measure of a portfolio's exposure to companies with high carbon emissions. This process is separate to the assessment of whether a company meets the Fund's sustainability objective (as described above), and is not relevant in determining whether the Fund has invested at least 70% of its assets in line with that 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.

As the Fund aims to invest in companies that provide a positive contribution to people and/or the planet, the investment manager defines conflicting assets as companies which have a significant negative effect on people and/or the planet. These are companies that are directly and materially exposed to activities that are significantly damaging to the environment, companies complicit in cases of severe human rights abuses and incidents, or companies engaged in major corruption. Such companies are identified using the following measures:

Area of harm	Threshold
Carbon emissions	Companies with a carbon intensity (a measure of high carbon emissions) of more than 20,000 tonnes of CO2 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.
Severe biodiversity loss	Breach of Schroders' 'Global Norms' exclusions. Schroders' definition of Global Norms considers widely recognised principles such as the UNGC principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Fundamental Conventions. Schroders has created a proprietary framework to identify, assess and engage companies that we deem to have potentially breached Global Norms. The output of this framework is a 'Global Norms Breach List' comprised of companies that have: been identified as causing significant damage; not sufficiently addressed the issue in question through transparent communications and action; and not provided sufficient remedy for affected stakeholders. To identify Global Norms violators, the investment manager monitors ESG controversies through a number of sources, such as third party data providers, NGOs, industry reports and academic institutions.
Hazardous waste generation	
Complicity in severe human rights abuses and incidents	
Complicity in major corruption	

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 investing in companies with direct exposure above a certain level to certain harmful activities or products (such as fossil fuels, conventional and controversial weapons and tobacco, alcohol).

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/.

D. What else might the Fund invest in?

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

The Fund invests at least 70% of its portfolio in companies that have been assessed as sustainable using the process outlined in "How does the investment manager identify sustainable companies?" above.

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 determines may be able to meet the sustainability objective over time, or other investments that the investment manager deems 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.

E. 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 the way they are managed and/or the goods and services they sell, all companies have both negative and positive effects on society and the environment. Although the Fund aims to select companies that provide a positive contribution to people and/or the planet, such companies will 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.

F. 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, 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.

G. 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 sustainable companies 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.

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 its sustainability objective over time. This section sets out the relevant KPIs for the Fund.

The investment manager uses KPIs to assess whether the Fund is meeting its sustainability objective. Within SustainEx™, each metric has certain KPI(s) that are used, for example:

- GHG emissions (tonnes of CO2 equivalent)

- Energy created from renewable energy (GWh)

- Total water withdrawal (cubic meters)

- Total waste generated (tonnes)

- Health & Safety: Accident rates

- Health & Safety: Fatalities (number of employees and contractors)

- Dollar value of community donations

- Dollar value of employee training

- Emissions which degrade air quality (tonnes of NOx, SOx, VOCs)

A company's performance against these KPIs is used to calculate its overall SustainEx™ score, which is monitored on an ongoing basis to ensure that investments remain aligned with the sustainability objective.

The manager also reports on the KPIs below, which aim to illustrate whether the Fund has invested in companies that the investment manager assessed as providing a positive contribution to people and/or the planet 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:

KPI	Purpose
Overall sustainability score of the Fund	The overall sustainability score is based on Schroders' systematic model, SustainEx™, as described under "*How does the investment manager identify sustainable companies?"* above. The investment manager calculates SustainEx™ scores for all companies in the Fund to arrive at the total Fund score. The overall score is a measure of the Fund's sustainability performance relative to the benchmark stated in its investment objective. The benchmark is representative of the investment universe of the Fund before its sustainability criteria have been applied, so comparing the sustainability scores of the Fund and the benchmark provides an indication of the effect of the Fund's sustainable investment strategy.
Overall planet score of the Fund	The planet score is also calculated using SustainEx™, and represents the Fund's environmental performance relative to its benchmark, as described above.
Overall people score of the Fund	The people score is also calculated using SustainEx™, and represents the Fund's social performance relative to its benchmark, as described above.
Percentage of investments that are sustainable	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 illustrates the actual percentage of the Fund made up of sustainable companies, as determined by the assessment described under "*How does the investment manager identify sustainable companies?*" above.
Investments that are classified as sustainable based on Panel review	As described above, where a company does not achieve a positive SustainEx™ score, the investment manager can ask the Panel to review additional evidence to determine whether, if such evidence was available to SustainEx™, the company would achieve a positive score. This KPI illustrates the Fund's exposure to companies which achieved a positive score through this Panel process.
The carbon intensity score of the Fund compared to carbon intensity score of its benchmark.	This KPI helps to illustrate the Fund's exposure to companies with high carbon emissions compared to its benchmark (as disclosed in the investment objective). This is measured as described under "*In addition to the assessment of whether a company is sustainable (as described above), does the investment manager carry out any other sustainability-related checks on investments?*" above.

H. 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 collaborates with Schroders' Sustainable Investment team, and/or other Schroders investment teams where relevant, to inform such teams' engagement with selected companies held by the Fund. This means that those teams work with companies, where appropriate, to try to increase their positive contributions to people and the planet, and reduce the size of their negative contributions.

As the Fund aims to select companies that provide a positive contribution to people and/or the planet, engagements with companies typically cover some of the following stakeholder considerations:

Environment: engagement topics may include encouraging companies to align their business models with the transition to a net zero economy; and to implement responsible waste disposal, recycling and lifecycle management practices to promote a circular economy across the lifecycle of their products.

Employees: engagement topics may include encouraging companies to provide appropriate training and development opportunities for their employees.

Customers: engagement topics may include encouraging companies to ensure that products and services do not adversely affect human rights.

Communities: engagement topics may include encouraging companies to commit to supporting local communities who may experience indirect job losses from the company's operations in the area.

Institutions: engagement topics may include encouraging companies to disclose the full extent of taxes paid or collected in each country of operation.

Engagements may include conversations with management teams and can cover business practices, operations, governance and products and services. Engagements are expected to be structured around a standard set of principles:

Identify material sustainability issues.

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 Sustainable Investment team may escalate engagement, such as through using voting rights to try to effect positive change on sustainability matters, which may include coordinated engagement and voting with Schroders investment teams, other asset managers or asset owners where the Sustainable Investment team determines that will have greater effect.

The investment manager's group 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

I. What actions does the investment manager take if an investment ceases to be sustainable, or doesn't perform well enough against the KPIs?

This section explains what the next steps will be if a company ceases to be aligned with the sustainability objective or is not performing well enough against the KPIs.

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 classifies a company as 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 in the investment policy. The investment manager may also engage with the company to obtain more information to inform its assessment and/or to encourage the company to address its concerns, with a view to the asset meeting the investment manager's criteria for sustainable investments again.

Fund characteristics

Date of authorisation	8 August 2018
Classes of Units	I Accumulation and I Income 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
Annual accounting date	31 October
Half-yearly accounting date	30 April
Income allocation date	I Income (Semi-Annually): 31 December and 30 June All other Units: 31 December
Profile of a typical investor	The Fund aims to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in global equities, 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 **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 MSCI All Countries World (Net Total Return) index, and compared against the MSCI ACWI ex Fossil Fuels Index. The Fund's investment universe is expected to overlap materially with the components of the target and comparator benchmarks. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target or comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.
Benchmark selection	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Currency risk – Derivatives risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk

	– Sustainable investing risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£1,000,000	£100,000	£1,000,000	0.22%	0.00%
X	£1,000,000	£100,000	£1,000,000	0.02%	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 Tokyo Fund (PRN 142596)

Investment Objective

The Fund aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section (Net Total Return) index (after fees have been deducted) over a 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 in equity and equity related securities of Japanese companies.

Investments are made based on Japan's economic strengths, such as its manufacturing industry (in particular on those parts of it that are demonstrating an ability to exploit newly emerging technology) and on sectors benefiting from structural change in the economy.

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 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 February 1989
Classes of Units	A Accumulation and A Income H Accumulation and H Income L Accumulation and L Income Q Accumulation and Q Income S Income X Accumulation Z Accumulation and Z Income GBP Hedged L Accumulation and GBP Hedged L Income GBP Hedged Z Accumulation and GBP Hedged 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 date	30 April
Profile of a typical investor	The Fund is a medium risk Fund aiming to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in equities. 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 Tokyo Stock Price (Net Total Return) index, and compared against the Investment Association Japan 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Currency risk/hedged unit class risk – Derivatives risk

- Higher volatility risk
- IBOR risk
- Liquidity risk
- Market risk
- Operational risk
- Performance risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.60%	0.00%
A (Hedged)	£1,000 or £50 per month under regular savings plan	£500	£1,000	1.63%	0.00%
H	None	None	None	Up to 1.00%	0.00%
L	None	None	None	Up to 1.00%	0.00%
L (Hedged)	None	None	None	Up to 1.00%	0.00%
Q	None	None	None	0.44%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.92%	0.00%
X	£100,000	£20,000	£100,000	0.02%	0.00%
Z (Hedged)	£50,000	£10,000	£50,000	0.95%	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 All Share Tracker Fund (PRN 1054817)

Investment Objective

The Fund seeks to provide capital growth and income in line with the FTSE All Share Total Return index (the "Index") (before fees have been deducted*) over a three to five year period by investing in equity and equity related securities of UK companies.

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

Investment Policy

The Fund is passively managed and invests at least 90% of its assets directly or indirectly (through collective investment schemes and exchange traded funds including other Schroder funds) in equity and equity related securities of UK companies.

The investment manager is limited to investing these assets in accordance with the composition of the Index but has the discretion to vary the weightings in the Index's securities.

A sampling replication approach will be used to optimise the portfolio with the aim of reflecting key characteristics of the Index without replicating or holding every stock included in the Index, and to minimise portfolio transactions costs and rebalancing.

The tracking error of the Fund compared to the Index is anticipated to be less than 0.5% per year during normal market conditions. Tracking error is a measure of how closely the performance of a fund moves in line with an index.

Factors which may impact the tracking error include but are not limited to: the weightings of securities in the Fund compared to the Index; transaction costs; fund expenses (as set out in Section 5 of the prospectus); investments in money market instruments or cash.

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

The Fund may also 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	9 April 2026
Classes of Units	Q 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 October
Half-yearly accounting date	30 April
Income allocation date	31 December
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 long-term capital growth and income offered through investment in UK equities. Investors should regard their investment as medium to long-term (three to five years) 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 constraining benchmark being the Index (FTSE All Share Total Return index). In respect of the restriction in the Investment Policy to invest at least 90% of its assets in the specific asset classes stated, the investment manager is limited to investing these assets in accordance with the composition of the Index but has the discretion to vary the weightings in the Index's securities. The Index is a UK equity index that captures large, mid and small-cap representation of the UK market. Further details regarding the Index are available at: [https://www.londonstockexchange.com/indices/ftse-all-share] The costs incurred by the Fund, which are associated with gaining exposure to the Index, will be impacted by the level of turnover of Index constituents when the Index is rebalanced. In addition, the investment manager reserves the right to exclude from the portfolio of the Fund any securities (including constituents of the Index) which do not comply with the investment manager's policies.
Benchmark selection	The constraining 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 and policy.

Benchmark disclaimer	The Fund has been developed solely by Schroders. The Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the Index vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Schroders.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Derivatives risk – Higher volatility risk – Index-tracking risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q	None	None	None	0.06%	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 Alpha Plus Fund (PRN 200093)

Investment Objective

The Fund aims to provide 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.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK. The Fund typically holds 30 to 60 companies.

'Alpha' funds invest in companies in which the investment manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Fund may also invest in companies headquartered or quoted outside the UK which derive a significant proportion of their revenues or profits from the UK.

The Fund may also invest directly or indirectly in other equity and equity related securities, collective investment schemes (including Schroder funds), fixed income securities, warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk and 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 June 2002
Classes of Units	A Accumulation and A Income L Accumulation and L Income S Accumulation and S Income 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	31 May
Half-yearly accounting date	30 November
Income allocation date	31 July
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 FTSE All Share (Gross Total Return) index, and compared against the Investment Association UK All Companies 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk

	– Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

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	1.48%	0.00%
L	None	None	None	Up to 1.00%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.80%	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 Large Company Tracker Fund (PRN 1054818)

Investment Objective

The Fund seeks to provide capital growth and income in line with the FTSE 100 Custom Screened index (the "Index") (before fees have been deducted*) over a three to five year period by investing in equity and equity related securities of large UK companies.

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

Investment Policy

The Fund is passively managed and invests at least 90% of its assets directly or indirectly (through collective investment schemes and exchange traded funds including other Schroder funds) in equity and equity related securities of the top 100 listed UK companies by market capitalisation.

The investment manager is limited to investing these assets in accordance with the composition of the Index. This is known as a full replication approach. The Fund may from time to time exclude stocks included in the Index where the investment manager determines that this is appropriate due to exceptional market circumstances, to manage costs or to comply with any investment restrictions that may apply to the Fund or the investment manager.

The Index is a custom index which measures the performance of a sub-set of the FTSE 100 Index (the "Parent Index"). The Index excludes companies from the Parent Index based on the exclusions screening criteria set out in the 'Benchmark' section below.

The tracking error of the Fund compared to the Index is anticipated to be less than 0.5% per year during normal market conditions. Tracking error is a measure of how closely the performance of a fund moves in line with an index.

Factors which may impact the tracking error include but are not limited to: the weightings of securities in the Fund compared to the Index; transaction costs; fund expenses (as set out in Section 5 of the prospectus); investments in money market instruments or cash.

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

The Fund may also 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	9 April 2026
Classes of Units	Q 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 October
Half-yearly accounting date	30 April
Income allocation date	31 December
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 long-term capital growth and income offered through investment in UK equities. Investors should regard their investment as medium to long-term (three to five years) 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 constraining benchmark being the Index (FTSE 100 Custom Screened index). In respect of the restriction in the Investment Policy to invest at least 90% of its assets in the specific asset classes stated, the investment manager is limited to investing these assets in accordance with the composition of the Index but has the discretion to vary the weightings in the Index's securities. The Index is a custom index which excludes the following companies from the Parent Index (FTSE 100 index): • Manufacturers of controversial weapons prohibited by international conventions such as anti-personnel landmines, cluster munitions, chemical and biological weapons; • Companies which do not meet one or more of the ten United Nations Global Compact principles. Those cover, but are not limited to, human rights, anti-corruption and the environment; • Companies where 5% or more of their revenue is derived from Thermal Coal extraction and/or Tar Sand operations; • Companies where 10% or more of their revenue is obtained via activities within Tobacco production, sales or related services.

	Please note, these exclusions are subject to change by the provider of the Index. The Parent Index is a market-capitalisation weighted index whereby the weight of each company in the index is driven by the size of the company. This means that the larger the company the greater the weighting it has in the index. The Parent Index captures the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity. The Parent Index is reviewed on a quarterly basis in March, June, September and December. These Parent Index reviews are taken into account when reviewing the Index against the exclusions criteria detailed above on a quarterly basis in March, June, September and December with companies admitted or excluded from it at the quarterly review date. The Index and the Parent Index (together, the "Indices") include calculation rules to ensure minimum levels of free float, price accuracy for constituent securities and liquidity. The Indices are published by FTSE. More details on the Indices (including their constituents) can be found at https://www.lseg.com/en/ftse-russell/indices/uk (The Parent Index) and https://www.lseg.com/en/ftse-russell/indices/custom-methodologies (The Index). The costs incurred by the Fund, which are associated with gaining exposure to the Index, will be impacted by the level of turnover of Index constituents when the Index is rebalanced. In addition, the investment manager reserves the right to exclude from the portfolio of the Fund any securities (including constituents of the Index) which do not comply with the investment manager's policies.
Benchmark selection	The constraining 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 and policy.
Benchmark disclaimer	The Fund has been developed solely by Schroders. The Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the Index vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Schroders.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Counterparty risk – Derivatives risk – Higher volatility risk – Index-tracking risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
Q	None	None	None	0.06%	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 Mid 250 Fund (PRN 190174)

Investment Objective

The Fund aims to provide long term capital growth in excess of the FTSE 250 ex Investment Trusts (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 companies listed in the FTSE 250 Index ex Investment Trusts.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of UK companies listed in the FTSE 250 ex – Investment Trusts index. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

The investment manager believes that these investments can potentially offer faster rates of profit and dividend growth and higher long-term returns than their larger counterparts.

The Fund may also invest in former components of, or expected entrants into, that index if the investment manager believes it may be advantageous to do so.

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 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	30 September 1999
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation S Accumulation W Accumulation and W Income X Income 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	31 July
Half-yearly accounting date	31 January
Income allocation date	30 September
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 FTSE 250 ex Investment Trusts (Gross Total Return) index, and compared against the Investment Association UK All Companies 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk

- Currency risk
- Derivatives risk
- Higher volatility risk
- IBOR risk
- Liquidity risk
- Market risk
- Operational risk
- Performance risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.66%	0.00%
L	None	None	None	Up to 1.00%	0.00%
Q	None	None	None	1.10%	0.00%
S	None	None	None	Up to 1.00%	0.00%
W	£50,000,000	None	£50,000,000	0.60%	0.00%
X	£100,000	£20,000	£100,000	0.02%	0.00%
Z	£50,000	£10,000	£50,000	0.91%	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-Factor Equity Component Fund (PRN 729925)

Investment Objective

The Fund seeks to provide capital growth and income in excess of the FTSE All Share (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in a portfolio of equity and equity related securities of UK companies.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity-related securities of companies incorporated, headquartered or having their principle business activities in the UK. The Investment Manager is limited to investing these assets in accordance with the composition of the FTSE All Share (Net Total Return) index but has the discretion to vary the weightings in the benchmark's securities

Companies will be simultaneously assessed on all targeted equity factors using a fully integrated systematic, bottom-up investment approach.

The Fund will focus on:

A range of equity factors (also commonly known as investment styles) that may include the following:

- Low volatility – involves evaluating indicators such as share price movement and historical performance to determine those securities that the investment manager believes will experience smaller price movements than the global equity markets on average
- Momentum – involves evaluating trends in stocks, sectors or countries within the relevant equity market
- Quality – involves evaluating indicators such as a company's profitability, stability and financial strength
- Value – involves evaluating indicators such as cash flows, dividends and earnings to identify securities that the investment manager believes have been undervalued by the market
- Small cap – involves investing in small-sized companies being companies that, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the UK equity market and exhibit attractive characteristics based on the styles described above

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 also 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 February 2016
Classes of Units	I Accumulation K1 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
Annual accounting date	10 June
Half-yearly accounting date	10 December
Income allocation date	10 August
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 long-term capital growth and income offered through investment in UK equities. Investors should regard their investment as medium to long-term (three to five years) 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 constraining benchmark being the FTSE All Share (Net Total Return) index. In respect of the restriction in the Investment Policy to invest at least 80% of its assets in the specific asset classes stated, the investment manager is limited to investing these assets in accordance with the composition of the benchmark but has the discretion to vary the weightings in the benchmark's securities.
Benchmark selection	The constraining 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 and policy.
Investment objective and policy interpretation	Investors should review the clarifications at the beginning of this Appendix before investing.

Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
I	£1,000,000	£100,000	£1,000,000	0.18%	10.00%
X	£1,000,000	£100,000	£1,000,000	0.02%	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 Smaller Companies Fund (PRN 109451)

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE UK Series Small Cap ex Investment Trusts (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 small-sized UK companies.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK and, at the time of purchase, are similar in size to those comprising the bottom 10% by market capitalisation of the UK equities market.

The small cap universe is an extensive, diverse and constantly changing area of the UK market. Smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They also tend to grow more rapidly than larger firms.

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 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	29 April 1988
Classes of Units	A Accumulation and A Income S Income 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	31 May
Half-yearly accounting date	30 November
Income allocation date	31 July
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 FTSE UK Series Small Cap ex Investment Trusts (Gross Total Return) index, and compared against the Investment Association UK Smaller Companies 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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 before investing.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk – IBOR risk – Liquidity risk – Market risk

	– Operational risk – Performance risk – Smaller companies risk A full description of each of these risks can be found in **Appendix 3**.

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	1.67%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.91%	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 US Equity Income Maximiser (PRN 769360)

Investment Objective

The Fund aims to provide income by investing in equity and equity related securities of large US companies.

The Fund aims to deliver an income of 5% per year but this is not guaranteed and could change depending on market conditions.

Investment Policy

The Fund invests at least 80% of its assets in a passively managed portfolio constructed from the top 500 listed US companies by market capitalisation.

To seek to enhance the yield, the investment manager selectively sells short dated call options over individual securities held by the Fund, portfolios of securities or indices 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 will 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	22 February 2017
Classes of Units	L Accumulation and L Income GBP Hedged L Accumulation and GBP Hedged L Income Q Accumulation and Q Income GBP Hedged Q Income X Income 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	20 April
Half-yearly accounting date	20 October
Other accounting dates	20 August and 20 January
Income allocation dates	20 January, 20 February, 20 March, 20 April, 20 May, 20 June, 20 July, 20 August, 20 September, 20 October, 20 November, 20 December
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide income. It may be suitable for investors who are seeking a higher income through investment in equity securities and are comfortable with the risks associated with such investments. 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 the income target of 5% per year, and compared against the S&P 500 (Net Total Return) index and the Investment Association North American sector average return.
Benchmark selection	The income target has been selected because the investment manager deploys strategies that aim to deliver the level of income stated in the investment objective. The comparator benchmarks have 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 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are:

- Capital erosion risk
- Capital risk/distribution policy risk
- Concentration risk
- Counterparty risk
- Currency risk
- Currency risk/hedged unit class risk
- Derivatives risk
- IBOR risk
- Liquidity risk
- Market risk
- Maximiser funds
- Operational risk
- Performance risk

A full description of each of these risks can be found in **Appendix 3**.

Unit class features

Classes of Units	Minimum initial investment	Minimum subsequent investment	Minimum holding	Schroders Annual Charge	Initial charge
L	None	None	None	Up to 1.00%	0.00%
L (Hedged)	None	None	None	Up to 1.00%	0.00%
Q	None	None	None	Up to 1.00%	0.00%
Q (Hedged)	None	None	None	Up to 1.00%	0.00%
W	None	None	None	Up to 1.00%	0.00%
X	None	None	None	0.08%	0.00%
Z	£50,000	£10,000	£50,000	0.49%	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 US Mid Cap Fund (PRN 195182)

Investment Objective

The Fund aims to provide capital growth and income in excess of the Russell 2500 Total Return Lagged (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of medium-sized US companies.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of medium-sized US companies. These are companies that, at the time of purchase, are similar in size to those comprising the bottom 40% by market capitalisation of the North American equity market.

The Fund focuses on three types of companies that the investment manager believes:

(A) demonstrate strong growth trends and improving levels of cash

(B) generate dependable earnings and revenues; and

(C) are undergoing positive change that is not being recognised by the market

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 reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).

Fund characteristics

Date of authorisation	11 May 2001
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation and Q Income S Income 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 North America Inc.
Annual accounting date	31 May
Half-yearly accounting date	30 November
Income allocation date	31 July
Profile of a typical investor	The Fund is a higher risk Fund aiming 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. 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 Russell 2500 TR Lagged (Net Total Return) index, and compared against the Investment Association North American 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk – Higher volatility risk

	– IBOR risk – Liquidity risk – Market risk – Operational risk – Performance risk A full description of each of these risks can be found in **Appendix 3**.

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	1.66%	0.00%
L	None	None	None	Up to 1.00%	0.00%
Q	£50,000,000	None	£50,000,000	0.69%	0.00%
S	None	None	None	Up to 1.00%	0.00%
Z	£50,000	£10,000	£50,000	0.91%	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 US Smaller Companies Fund (PRN 144966)

Investment Objective

The Fund aims to provide capital growth in excess of the Russell 2000 Lagged (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small-sized US companies.

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized US companies. These are companies that, at the time of purchase, are similar in size to those comprising the bottom 20% by market capitalisation of the North American equity market. The Fund may invest in small-sized Canadian companies.

The small cap universe is an extensive, diverse and constantly changing area of the North American market. The investment manager believes smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They also tend to grow more rapidly than larger companies.

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 reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).

Fund characteristics

Date of authorisation	23 November 2001
Classes of Units	A Accumulation and A Income L Accumulation and L Income Q Accumulation and Q Income S Accumulation and S Income W Accumulation and W Income 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 North America Inc.
Annual accounting date	30 April
Half-yearly accounting date	31 October
Income allocation date	30 June
Profile of a typical investor	The Fund is a higher risk Fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. 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 Russell 2000 Lagged (Net Total Return) index, and compared against the Investment Association North American Smaller Companies 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	The target benchmark has been selected because it is 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. The comparator benchmark has been selected because the investment manager and the 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.
Fund risk factors	In addition to the general risks of investing, as set out in Appendix 3, the most relevant risk factors which are applicable to the Fund are: – Concentration risk – Counterparty risk – Currency risk – Derivatives risk

- Higher volatility risk
- IBOR risk
- Liquidity risk
- Market risk
- Operational risk
- Performance risk
- Smaller companies risk

A full description of each of these risks can be found in **Appendix 3**.

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	1.67%	0.00%
L	£2,000,000	None	None	0.79%	0.00%
Q	£50,000,000	None	£50,000,000	0.59%	0.00%
S	None	None	None	Up to 1.00%	0.00%
W	£15,000,000	None	None	0.69%	0.00%
Z	£50,000	£10,000	£50,000	0.92%	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 that 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	UK UCITS 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
Other transferable securities	Permitted – a Fund can invest up to 10% of the portfolio in other transferable securities that are eligible but less liquid or unlisted due to exceptional circumstances
Collective investment schemes	Permitted – a Fund can invest up to 100% in other collective investment schemes (funds) but can only invest 20% in any single collective investment scheme
Unapproved collective investment schemes	Not permitted – a Fund cannot invest in other funds which are not regulated
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)
Gold, silver, platinum	Not permitted – the Funds are not able to invest in commodities such as gold, silver or platinum
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 or underwriting for any of our Funds, we would let you know in advance
Borrowing	Permitted – up to 10% and only on a temporary basis
Significant influence	The Funds are not allowed to buy shares in a company (which would allow them to vote at a shareholder meeting) which, if added together with other shares held in the same company by Schroders, would give Schroders the power to significantly influence the business of that company – usually where Schroders holds 20% or more of the shares
Concentration	There are limits on how much a Fund can hold of certain investments. - Non-voting transferable securities: 10% of those issued by a single body - Debt securities: 10% of those issued by a single body - Money market instruments: 10% of those issued by a single body

Investment	UK UCITS position
Spread	Funds are subject to rules which spread their risk across different issuers and investors. Government and public securities ('GAPS'): where no more than 35% of a Fund is invested in GAPS issued by one issuer there is no limit on spread 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 Transferable securities and money market instruments: no more than 5% issued by a single body, can be increased to 10% provided holdings over 5% do not exceed 40% of the total value of the Fund. Index-tracking funds are subject to increased concentration limits: no more than 20% issued by a single body, can be increased to 35% where justified by exceptional market conditions. Deposits: no more than 20% issued by a single body Collective investment schemes: no more than 20% in any single collective investment scheme OTC derivatives: no more than 5% exposure to any one counterparty, can be increased to 10% if the counterparty is an approved bank

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 Eligible Markets List below) and approved money market instruments issued or guaranteed by:

- a central authority of the UK or EEA State, or if an EEA State is a federal state, one of the members making up the federation, a regional or local authority of the UK or an EEA state, 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
- 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
- issued by a body, any securities of which are dealt in on an eligible market

Each Fund may invest up to 10% 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:

(1) signed the IOSCO Multilateral Memorandum of Understanding; and

(2) approved the scheme's management company, rules and depositary/custody arrangements (provided certain requirements are met)

Provided that no more than 30% 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 the schemes invested in cannot themselves invest more than 10% in other collective investment schemes.

No Fund may invest more than 10% of its Net Asset Value in units of collective investment schemes except for:

- Amalfie Fund
- Schroder Managed Wealth Portfolio
- Schroder Managed Balanced Fund
- Schroder Global Diversified Income Fund

Where up to 100% of Net Asset Value may be invested.

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:

- Amalfie Fund
- Schroder All Maturities Corporate Bond Fund
- Schroder Asian Alpha Plus Fund
- Schroder Asian Income Maximiser
- Schroder Digital Infrastructure Fund
- Schroder Gilt and Fixed Interest Fund
- Schroder Global Cities Real Estate
- Schroder Global Corporate Bond Managed Credit Component Fund
- Schroder Global Diversified Income Fund
- Schroder QEP Global ex UK Core Fund
- Schroder Global Sovereign Bond Tracker Component Fund
- Schroder Global Sustainable Value Equity Fund
- Schroder Income Maximiser
- Schroder Managed Wealth Portfolio
- Schroder Long Dated Corporate Bond Fund
- Schroder QEP Global Active Value Fund
- Schroder Sterling Broad Market Bond Fund
- Schroder Sterling Short Term Bond Fund
- Schroder Strategic Bond Fund
- Schroder Sustainable Bond Fund
- Schroder Sustainable Multi-Factor Equity Fund
- Schroder UK All Share Tracker Fund
- Schroder UK Large Company Tracker Fund
- Schroder UK Multi-Factor Equity Component Fund
- Schroder US Equity Income Maximiser

Each Fund may invest in deposits without limitation, 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.

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.

(B) 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 & 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 the 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 5% 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 5% in (C) is raised to 10% in respect of up to 40% in value of the property of each Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40%. The limit of 5% in (C) is raised to 25% in value of the property of each Fund in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the property of the relevant Fund.

(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 5% in value of the property of each Fund; this limit being raised to 10% where the counterparty is an approved bank (as defined in the Regulations). Calculation of the exposure to a counterparty will be carried out in accordance with the Regulations.

(G) Not more than 20% 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 20% 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 (b), (c), (d), (e) and (f), not more than 20% in value of the property of a Fund is to consist of any combination of two or more of the following:

(1) transferable securities (including covered bonds) or money market instruments issued by; or

(2) deposits made with; or

(3) exposures from OTC derivatives transactions, repurchase transactions and stock lending transactions made with a single body

(J) In applying the limits in (f) and (i) 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.

(K) The limit of 5% in (C) is raised to 20% in respect of investment in shares and debentures which are issued by a single body where the investment policy of a Fund is to replicate the composition of a relevant index. A relevant index is one which satisfies the following criteria: (a) the composition is sufficiently diversified (b) the index represents an adequate benchmark for the market to which it refers; and (c) the index is published in an appropriate manner. This applies to Schroder UK All Share Tracker Fund and Schroder UK Large Company Tracker Fund.

(L) Replication of the composition of a relevant index refers to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management. The property of a Fund replicating an index need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Fund's investment objective is to achieve a result consistent with the replication of an index (also known as a sampling replication approach) rather than an exact replication (also known as full replication).

(M) The limit of 20% in (K) can be increased to 35% in value of the property of the Fund in respect of one single body and where justified by exceptional market conditions.

These limits do not apply to government and public securities, as to which see below.

8. Government and public securities

In respect of the:

- Amalfie Fund
- Schroders All Maturities Corporate Bond Fund

- Schroder Gilt and Fixed Interest Fund
- Schroder Global Corporate Bond Managed Credit Component Fund
- Schroder Global Sovereign Bond Tracker Component Fund
- Schroder High Yield Opportunities Fund
- Schroder Long Dated Corporate Bond Fund
- Sterling Short Term Bond Fund
- Schroder Strategic Bond Interest Fund
- Schroder Sustainable Bond Fund
- Schroder Sustainable Multi-Factor Equity 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

Schroder All Maturities Corporate Bond Fund and the Schroder Long Dated Bond Fund use UK Government Bond Futures for efficient management as an effective mechanism for hedging duration. Therefore, the exposure to GAPS in excess of 35% is restricted to efficient management.

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 (including Government National Mortgage Association (GNMA), Student Loan Marketing Association (SLMA), Tennessee Valley Authority (TVA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Financing Corporation (FICO), Private Export Funding Corporation (PEFCO), Resolution Funding Corporation (RFCO) or by one of the following international organisations: African Development Bank, Asian Development Bank (ADB), Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KFW), LCR Finance plc and the Nordic Investment Bank (NIB).

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. Significant influence

We must not acquire, or cause to be acquired for each Fund, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if immediately before the acquisition, the aggregate of any such securities held for each Fund, taken together with any such securities already held for other authorised unit trusts of which we are also the manager, gives us power significantly to influence the conduct of business of that body corporate; or the acquisition gives us that power.

We are to be taken to have power significantly to influence the conduct of business of a body corporate if we can, because of the transferable securities held for all the authorised unit trusts of which we are the manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

10. Concentration

Each Fund:

(A) must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10% of those securities issued by that body corporate

(B) must not acquire more than 10% of the debt securities issued by any single body

(C) must not acquire more than 10% of the money market instruments issued by any single body

(D) need not comply with the limits in (b) and (c) above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated

11. 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.

12. 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 of reuse 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.

13. 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.

14. 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. Collateral received shall also comply with the provisions in the section 'Concentration' above.

(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 '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.

15. 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	Haircu
Cash	N/A	0%
Government bonds	One year or under	2%
	More than one year up to and including five years	3%
	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%

16. 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

17. Investments in the China Market

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 Shenzhen-Hong 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. 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. There is no guarantee that the investment objectives of any Fund will actually be achieved. Depending on market conditions, investment objectives may become more difficult or even impossible to achieve.

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. 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.

Bond Connect risk

China Bond Connect (the Bond Connect) is a bond trading link between China and Hong Kong which allows foreign institutional investors to invest in onshore Chinese bonds and other debt instruments traded on the China Interbank Bond Market (CIBM). The Fund can, subject to its investment policy, invest in the instruments traded on the CIBM via the Bond Connect.

Under the prevailing regulations in mainland China, eligible foreign investors may invest in the bonds traded on the CIBM through the northbound trading of the Bond Connect (Northbound Trading Link). There is no investment quota for the Northbound Trading Link.

To the extent the Fund invests through Bond Connect it will be subject to the following additional risks:

Third party default risk: for investments via the Bond Connect, the relevant filings, registration with the People's Bank of China and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent and/or other third parties. As such, the Fund is subject to the risks of default on the part of such third parties.

Regulatory risk: investing in instruments traded on the CIBM via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations are subject to change which may potentially have retrospective effect. If the

relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Fund's ability to invest in the CIBM will be adversely affected. In such event, the Fund's ability to achieve its investment objective may be negatively affected.

Tax risk: there is no specific written guidance from the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in the CIBM by eligible foreign institutional investors via the Bond Connect.

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.

Capital risk/negative yields risk

The Fund may lose value when interest rates are very low or negative. As inflation increases, the real value of a Fund's portfolio could decline.

Catastrophe risk

A catastrophe bond may lose much or all of its value if a catastrophe that it covers occurs, which may result in losses to the Fund.

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.

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.

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 investments 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.

Credit Linked Note risk

A credit linked note is a debt instrument which assumes both credit risk of the relevant reference entity (or entities)and the issuer of the credit linked note. There is also a risk associated with the coupon payment; if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.

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.

Default risk

If a bond held in the portfolio defaults, this may reduce interest payments and could result in the capital value of the Fund at maturity being lower than the initial investment.

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.

Equity Linked Note risk

The return component of an equity linked note is based on the performance of a single equity security, a basket of securities or an equity index. Investment in these instruments may cause a capital loss if the value of the underlying security decreases. In extreme cases the entire capital may be lost. These risks are also found in investing in equity investments directly. The return payable for the note is determined at a specified time on a valuation date, irrespective of the fluctuations in the underlying stock price. There is no guarantee that a return or yield on an investment will be made. There is also the risk that a note issuer may default.

A Fund may use equity linked notes to gain access to certain markets, for example emerging and less developed markets, where direct investment is not possible. This approach may result in the following additional risks being incurred – lack of a secondary market in such instruments, illiquidity of the underlying securities, and difficulty selling these instruments at times when the underlying markets are closed.

Event risk

The Fund may take significant positions on companies involved in mergers, acquisitions, reorganisations and other corporate events. These may not turn out as expected and may result in losses to the Fund.

Gearing risk

The Fund may borrow money to make further investments - this is known as gearing. Gearing will increase returns if the value of the investments purchased increase by more than the cost of borrowing, or reduce returns if they fail to do so. In falling markets, the whole of the value in that investment could be lost, which would result in losses to the Fund.

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.

Higher volatility risk

The price of this Fund may be volatile as it may take higher risks in search of higher rewards.

Index Tracking risk

Where a Fund's investment objective or investment policy states that the Fund shall replicate or track a particular index or strategy, or a portfolio of indices or strategies, Investors should consider the following in respect of such Funds:

Costs of rebalancing the reference benchmark

Each Investor should consider the rebalancing frequency of the relevant index with reference to its investment strategy. Investors should note that index rebalancing allows the relevant benchmark to adjust its constituent weightings to ensure it is accurately reflecting the market(s) it is aiming to represent. Index rebalancing can either occur (i) on a scheduled basis; or (ii) on an ad hoc basis to reflect, for example, corporate activity such as mergers and acquisitions.

The rebalancing of a benchmark may require the Fund's portfolio of transferable securities or other eligible assets to be re-balanced accordingly. This may result in transaction costs which may reduce the overall performance of the relevant Fund.

Exposure of index-tracking funds to the changes in the value of the underlying indices or strategies

The NAV or calculation agent of an index or strategy is free to take any actions in respect of such an index or strategy, which could adversely affect the market value of any Shares of a Fund that has invested in the relevant index or strategy.

The Investment Manager may substitute a different index or strategy for any index or strategy that is discontinued or changed in any material way, if the agreement with the index sponsor or administrator is terminated, or for any other reason determined by the Directors, and with prior notification to or, where required, with the prior approval of, Investors.

Negative aggregate performance despite positive performance of some of the components

The value of an index or strategy may go up or down depending on the overall performance of each of the components in such an index or strategy. The negative performance of one or more components may outweigh the positive performance of other components in such an index or strategy.

Possible impacts to performance

The Fund will measure its performance against the index or strategy that it is seeking to replicate or track. Investors should keep in mind that an index-tracking fund has operating expenses and costs, including taxation; a market index (also referred to as a benchmark for tracking purposes) does not. The performance of the Fund may also be impacted by (i) the timing of investment trades in respect of investor subscription and/or redemption requests, (ii) the fair valuation of securities, (iii) the application of an alternative net asset value calculation method, (iv) imperfect correlation between the Fund's securities and those in the index or strategy, (v) changes to the index or strategy, and (vi) regulatory restrictions and internal policies of the Investment Manager. Therefore, an index-tracking fund, while expected to track a specific index as closely as possible, typically will not match the performance of the targeted index exactly.

In addition, any index or strategy calculation error may impact the selection of investments by the Fund and therefore its performance. In such a case, investors should note that neither the index provider, the Management Company, the Investment Manager or the Fund guarantees the adequacy, accuracy, timeliness nor completeness of the index or strategy, or any data included therein, and may not be subject to any damages or liability for any errors, omissions, or delays in respect of the index or strategy or its data.

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.

Inflation/deflation risk

Inflation is the risk that a Fund's assets or income from a Fund's investment may be worth less in the future as inflation decreases the value of money. Deflation risk is the risk that prices throughout the economy may decline over time.

Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio

Issuer risk

The Fund is permitted to invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by certain countries as further described in **Appendix 2 – Paragraph 8**.

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.

Market risk

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

Maximiser funds risk

Derivatives are used to generate income (which is paid to investors) and to reduce the volatility of returns but they may also reduce fund performance or erode capital 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.

No capital guarantee risk

Positive returns are not guaranteed and no form of capital protection applies.

Onshore renminbi currency risk

The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses. Currency control decisions made by the Chinese government could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its units.

Operational risk

Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the Fund.

Performance risk

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

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.

Smaller companies risk

A Fund which invests mainly in smaller companies may fluctuate in value more than other Funds which invest in a broader way. This is because smaller companies are more likely to be affected by market sentiment and market changes. They also generally carry greater liquidity risk than larger companies. There may also be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to increase.

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.

Stock lending and repurchase transactions risk

Stock lending and repurchase transactions involve certain risks. There is no assurance that a Fund will achieve the objective for which it entered into a transaction.

Repurchase transactions might expose the Fund to risks similar to those associated with optional or forward derivative financial instruments, the risks of which are described in other parts of this prospectus.

Where shares have been lent under a stock lending programme, the shares might be returned later or not in full which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

Under such arrangements, the Fund's will have a credit risk exposure to the other party to the transaction and the extent of this credit risk can be reduced, or eliminated, by receipt of adequate collateral. The Fund can keep the collateral if the other party does not meet its obligations. If the collateral is in the form of shares, there is a risk that when it is sold it will realise insufficient cash to settle the other party's debt to the Fund or to purchase replacements for the securities that were lent to the counterparty.

In the event that the Fund holds cash collateral it can invest the cash in one or more of the permitted types of investment that are described above. There is a risk that the investment will earn less than the interest that is due to the other party in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict the Fund's ability to recover its securities on loan, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests

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.

Tax risk

The Organisation for Economic Cooperation and Development (the "OECD") has been working to introduce a global minimum tax and many countries have agreed to introduce one. The global minimum tax is intended to ensure that very large businesses with companies based in two or more countries (that is, multinational groups with consolidated revenues over EUR 750 million) are subject to a minimum effective tax rate of 15% on their income arising in every country in which they operate. This is generally achieved where a company's tax liability in a country works out at under 15% by the tax liability being 'topped-up' to 15% for the company in that country.

The OECD's global minimum tax rules are complex and local implementation varies. The local rules normally contain various exemptions and exclusions. While there is generally an exclusion for investment funds, it only applies where the investment fund is the entity which owns the multinational group. Consequently, where a large multinational group invests in a Fund there is a risk of the global minimum tax rules applying to it with the result that in certain circumstances a tax or other related liability may arise to the Fund or another person. If the Fund suffers (or otherwise directly or indirectly bears the cost of) any such global minimum tax liability, this would affect the NAV of the Fund.

The UK has introduced its version of the global minimum tax rules in the Finance Act 2024.

Investors in the Funds should be aware that the Management Company may require information from them to enable it to consider any Fund's position with regard to any relevant global minimum tax rules and, if necessary to engage with HMRC and any other local tax authorities as necessary.

Investors which are Institutional Investors should also be aware that they will be subject to the indemnity set out in the application form if any tax and/or other related liability arises in any jurisdiction under or in connection with global minimum tax rules to a Fund as a consequence of their investment (at any time) in the Fund.

Appendix 4

Eligible 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 securities and derivatives through the markets listed below. Each Fund may invest up to 10% 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&FBOVESPA
Canada	Toronto Stock Exchange and TSX Venture Exchange
China	Shanghai Stock Connect and Shenzhen 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, 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
Sri Lanka	Colombo Stock Exchange
South Africa	Johannesburg 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

USA	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). 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. 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. The Over-the-Counter Market regulated by the National Association of Securities Dealers Inc. FINRA Trade Reporting and Compliance Engine (TRACE)
Vietnam	Hanoi Exchange and Ho Chi Minh Exchange

Derivatives

Australia	ASX Trade24
Belgium	NYSE Euronext Brussels
Brazil	BM&FBOVESPA
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:

(1) units or shares in a collective investment scheme:

(I) if a single price for buying and selling units or shares is quoted, at that price; or

(II) 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

(III) 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

(2) exchange-traded derivative contracts:

(I) if a single price for buying and selling the exchange traded derivative is quoted, at that price; or

(II) if separate buying and selling prices are quoted, at the average of the two prices;

(3) 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;

(4) any other transferable security:

(I) if a single price for buying and selling the security is quoted, at that price; or

(II) if separate buying and selling prices are quoted, at the average of the two prices; or

(III) 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

(5) property other than that described in (1) and (2) above, at a value which, in the opinion of the manager, represents a fair and reasonable mid-market price

(6) if separate buying and selling prices are quoted, at the average of the two prices; or

(7) 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

(8) property other than that described in (1) and (2) 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:

(1) 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

(2) 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

(3) 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 Countrywide Managed Balanced Fund
- Schroder Diversified Growth
- Schroder Dynamic Multi Asset Fund
- Schroder Income Portfolio
- Schroder MM Diversity Fund
- Schroder Monthly Income Fund
- Schroder Moorgate I Fund
- Schroder Prime UK Equity Fund
- 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
- Anla Fund
- Ardnave Fund
- Barnegat Light Fund
- Bass Rock Fund
- Betton Fund
- Bowdon General Fund
- Broombriggs Fund
- Caversham Fund
- Eiger Fund
- Elystan Fund
- Evergreen Fund
- Finial Fund
- Gresham General Fund
- Iranja Fund
- Maximillian Fund
- Pilot Hill Fund
- Scriventon Fund
- Star Hill Fund
- The Blackline Fund
- The Blair Fund
- The Cutty Fund
- The Global Growth Fund
- The Little Acorn Fund
- The Milton Fund
- The Mount Diston Fund
- The Pondtail Fund
- The Second Managed Growth Fund
- The Springfield Trust
- Thornton Fund
- Wadham Fund
- Winding Wood Fund

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

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 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 Responsible 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

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. For some funds the annual performance is shown for the X Class Accumulation Units. If X Class Accumulation Units have not been issued for a Fund then I Class Accumulation units are 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	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Amalfie					
I Accumulation GBP	-4.8	7.2	4.2	3.1	-1.7
UK Consumer Price Index plus 2%	12.7	7.2	2.4	3.3	4.1
Asset Risk Consultants (ARC) Sterling Balanced Asset Private Client Index	-9.1	7.9	4.8	11.7	-5.1
Schroder All Maturities Corporate Bond Fund					
X Accumulation GBP	-19.8	-1.8	11.0	11.0	-1.7
ICE Bank of America Merrill Lynch Non Gilts (Gross Total Return) Index	-17.8	-3.0	8.0	9.5	-1.6
Schroder Sustainable Bond Fund [2]					
A Accumulation GBP	-4.6	-0.8	-0.9	4.7	-2.5
ICE BofA Sterling 3-Month Government Bill Index +1% [3]	-	1.0	-	-	-
3 month LIBOR +1%	-	-	1.3	1.8	1.7
ICE BofA Sterling 3-Month Government Bill Index +2.5% [4]	3.6	-	-	-	-
Investment Association Strategic Bond sector average return [5]	-11.7	-	-	-	-
Bloomberg Multiverse ex Treasuries A+ to B- GBP hedged index	–	-	-	-	-
Schroder Asian Alpha Plus Fund					
A Accumulation GBP	-10.6	-0.4	29.5	14.5	-9.7
MSCI AC Asia ex Japan (Net Total Return) Index	-9.6	-3.8	21.2	13.6	-9.0
Investment Association Asia Pacific ex Japan sector average	-6.8	1.5	19.9	15.8	-9.8
Schroder Asian Discovery Fund [6]					
A Accumulation GBP	-15.3	17.9	14.9	8.6	-15.7
MSCI AC Asia ex Japan Small Mid Cap (Net Total Return)	-17.2	17.3	17.7	11.6	-18.7
Schroder Asian Income Fund					
A Accumulation GBP	-0.6	5.7	12.7	11.2	-5.4
MSCI AC Pacific ex Japan (Net Total Return) Index	-8.5	-5.0	19.2	15.7	-9.2
Investment Association Asia Pacific ex Japan sector average	-6.8	1.5	19.9	15.8	-9.8
Schroder Asian Income Maximiser Fund					
A Accumulation GBP	1.3	3.5	5.2	8.7	-5.4

[1] Source: Schroders – bid to bid price with net income reinvested, net of the ongoing charges and portfolio costs.

[2] With effect from 28 June 2021, Schroder Absolute Return Bond Fund changed its investment objective. With effect from 21 February 2022, Schroder Absolute Return Bond Fund changed its name to Schroder Sustainable Bond Fund, and changed its investment objective, investment policy and benchmarks. The past performance in the above table is based on the Fund's objective and benchmark (Target benchmark: ICE BofA Sterling 3-Month Government Bill Index +1%) in place prior to this date. Going forward, this table will show past performance from this date based on the new objective and benchmarks (Target benchmark: ICE BofA Sterling 3-Month Government Bill Index +2.5%. Comparator benchmarks: Investment Association Strategic Bond sector average return).

[3] From 28 June 2021 to 21 February 2022, historical performance for Schroder Absolute Return Bond Fund is compared against previous target benchmark (3 month LIBOR plus 1%).

[4] Prior to 21 February 2022, historical performance for Schroder Sustainable Bond Fund is compared against previous target benchmark (ICE BofA Sterling 3-Month Government Bill Index +1%) since 28 June 2021. Performance will be chain-linked against the new benchmark from effective date 21 February 2022.

[5] Performance will be chain-linked against the new benchmark from effective date 21 February 2022.

[6] Schroder Small Cap Discovery Fund changed its name to Schroder Asian Discovery Fund as of 13 January 2023.

Fund	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
MSCI AC Pacific ex Japan (Net Total Return) Index	-8.5	-5.0	19.2	15.7	-9.2
Investment Association Asia Pacific ex Japan sector average	-6.8	1.5	19.9	15.8	-9.8
Schroder Digital Infrastructure Fund [7]					
A Accumulation GBP	-18.0	15.9	-16.9	21.2	-3.9
UK Consumer Price Index plus 3%	-	8.3	3.6	4.3	5.1
FTSE EPRA NAREIT Developed Dividend Plus (Gross Total Return) Index	-	27.6	-11.0	18.4	1.1
Investment Association Property Investment Sector average	-	7.4	-3.8	16.8	7.8
MSCI All Country World NR GBP	-9.5	-	-	-	-
Schroder European Fund					
I Accumulation GBP	-8.6	14.4	8.8	21.0	-15.0
FTSE World Series Europe ex UK (Gross Total Return) Index	-7.0	17.4	8.6	20.4	-9.5
Investment Association Europe ex UK sector average	-8.9	15.6	10.5	20.4	-12.2
Schroder European Alpha Plus Fund					
A Accumulation GBP	-15.4	6.2	2.4	12.7	-17.4
FTSE World Series Europe ex UK (Gross Total Return) Index	-7.0	17.4	8.6	20.4	-9.5
Investment Association Europe ex UK sector average	-8.9	15.6	10.5	20.4	-12.2
Schroder European Smaller Companies Fund					
A Accumulation GBP	-24.4	17.3	22.4	12.3	-17.7
Euromoney Smaller Europe ex UK (Gross Total Return) Index	-17.1	15.4	18.9	20.6	-12.7
Investment Association European Smaller Companies sector average	-21.9	19.4	18.0	20.6	-15.3
Schroder Flexible Retirement Fund [8]					
X Accumulation GBP	-6.6	5.7	-1.1	9.2	-3.1
ICE BofA Sterling 3 Month Government Bill Index plus 2%	3.3	2.0	2.3	-	-
UK Consumer Price Index plus 2%	-	-	-	3.3	4.1
Schroder Gilt and Fixed Interest Fund					
A Accumulation GBP	-25.7	-5.4	8.3	6.2	-0.3
FTSE Gilts All Stocks index	-23.8	-5.2	8.3	6.9	-0.6
Investment Association UK Gilts sector average return	-24.3	-5.3	9.0	7.2	-0.1
Schroder Global Cities Real Estate					
A Accumulation GBP	-20.0	25.8	-4.9	25.2	-4.2
UK Consumer Price Index plus 3%	14.0	8.3	3.3	4.5	5.4
FTSE EPRA NAREIT Developed (Gross Total Return) Index	-14.9	28.4	-11.0	18.3	1.2
Investment Association Property Investment Sector average	-7.8	7.4	-3.8	0.8	2.9
FTSE EPRA NAREIT Developed TR GBP (Net) index	-	-	-	-	-
Schroder Global Corporate Bond Managed Credit Component Fund [9]					
X Accumulation GBP	-14.7	-1.7	6.4	10.9	-2.5
Bloomberg Barclays Global Aggregate Corporate hedged to GBP index (Gross Total Return) Index	-15.3	-1.0	7.2	10.6	-2.7
Schroder Global Diversified Income Fund [10]					
X Accumulation GBP	-11.2	5.7	-0.3	-	-

[7] Schroder Digital Infrastructure Fund was liquidated on 3 September 2025 and is now in wind-up.
[8] With effect from 17 August 2020, Schroder Flexible Retirement Fund changed its investment objective. Prior to 17 August 2020, historical performance for Schroder Flexible Retirement Fund is compared against previous target benchmark (UK Consumer Price Index plus 2%.
[9] With effect from 31 March 2021, Schroder Advanced Beta Global Corporate Bond Fund changed its name to Schroder Global Corporate Bond Managed Credit Component Fund, and changed its investment objective and policy.
[10] Schroder Global Diversified Income was liquidated on 26 May 2026, and is now in wind-up.

Fund	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
30% MSCI AC World 100% hedged to GBP/70% Barclays Global Aggregate Bond Index 100% hedged to GBP	-13.5	4.7	7.7	-	-
Investment Association Mixed Investment 20–60% Shares sector average	-9.7	6.3	3.5	-	-
Schroder QEP Global ex UK Core Fund [11]					
X Accumulation GBP	-10.5	22.8	-5.6	15.8	-4.2
MSCI ACWI Value (Net Total Return) Index	-	-	-3.4	15.9	-5.2
MSCI ACWI (Net Total Return) Index	-8.1	24.5	-	-	-
MSCI AC World ex UK (Net Total Return) Index	-	-	-	-	-
Schroder Global Emerging Markets Fund					
A Accumulation GBP	-12.8	-4.2	18.3	17.3	-10.9
MSCI Emerging Markets 10/40 (Net Total Return) Index	-	-	-	-	-
MSCI Emerging Markets (Net Total Return) Index	-10.0	-1.6	14.7	13.9	-9.3
Investment Association Global Emerging Markets sector average	-12.3	-0.3	13.6	15.7	-11.5
Schroder Global Equity Fund					
I Accumulation GBP	-9.2	23.3	21.1	23.7	-3.0
MSCI World (Net Total Return) Index	-7.8	22.9	12.3	22.7	-3.0
Schroder Global Equity Income Fund [12]					
A Accumulation GBP	4.1	19.3	-9.2	12.6	-6.4
MSCI World (Net Total Return) Index	-7.8	22.9	12.3	22.7	-3.0
Investment Association Global Equity Income sector average	-1.1	18.9	3.4	19.0	-5.7
MSCI World Value (Net Total Return) Index	5.3	-	-	-	-
Schroder Global Healthcare Fund					
A Accumulation GBP	-2.3	12.6	22.0	21.3	6.9
MSCI AC World Health Care Daily (Gross Total Return) Index	6.2	19.1	11.9	18.5	8.6
MSCI AC World Health Care Daily (Net Total Return) Index [13]	-	-	-	-	-
Investment Association Global sector average	-11.3	17.6	14.8	22.0	-5.7
Investment Association Healthcare sector average [14]	-	-	-	-	-
Schroder Global Sovereign Bond Tracker Component Fund [15]					
X Accumulation GBP	-15.4	-3.1	6.9	5.9	0.4
Bloomberg Barclays Customised Global Treasury (Gross Total Return) hedged to GBP Index	-15.5	-3.0	7.2	5.6	0.5
Schroder Global Sustainable Value Equity Fund [16]					
X Accumulation GBP	-1.9	20.8	-13.8	11.2	0.6
MSCI World (Net Total Return) index	-7.8	21.6	-	-	-
MSCI World Value (Gross Total Return) Index	5.3	21.0	-	-	-

[11] With effect from 08 October 2024, Schroder Global Equity Component Fund changed its name to Schroder Global ex UK Equity Tracker Component Fund, and changed its investment objective, policy and constraining benchmark from MSCI ACWI (Net Total Return) Index to MSCI ACWI ex UK (Net Total Return)(GBP)Index. Prior to 08 October 2024, historical performance for Schroder Global ex UK Equity Tracker Component Fund is compared against previous target benchmark (MSCI ACWI (Net Total Return) Index). With effect from 25 August 2026, Schroder Global ex UK Equity Tracker Component Fund changed its name to Schroder QEP Global ex UK Core Fund, and changed its investment objective and policy, while the constraining benchmark, MSCI AC World ex UK (Net Total Return) Index, remained the same.

[12] With effect from 31 March 2021, Schroder Global Equity Income Fund added the MSCI World Value (Net Total Return) Index as a comparator benchmark.

[13] On the 1st July 2023, the Schroder Global Healthcare Fund changed its comparator benchmark from the MSCI AC World Health Care Daily (Gross Total Return) Index to the MSCI AC World Health Care Daily (Net Total Return) Index.

[14] With effect from 13th June 2025, the Schroder Global Healthcare Fund changed its comparator benchmark from the Investment Association Global sector average to the Investment Association Healthcare sector average.

[15] With effect from 31 March 2021, Schroder Advanced Beta Global Sovereign Bond Fund changed its name to Schroder Global Sovereign Bond Tracker Component Fund, and changed its investment objective and policy.

[16] With effect from 14 February 2018 Schroder Specialist Value UK Equity Fund changed its name to Schroder Responsible Value UK Equity Fund. With effect from 31 March 2021, Schroder Responsible Value UK Equity Fund added the MSCI UK Value (Gross Total Return) Index as a comparator benchmark. With effect from 16 August 2021, Schroder Responsible Value UK Equity Fund changed its name to Schroder Global Sustainable Value Equity Fund, and changed its investment objective, policy, comparator benchmarks (FTSE All Share (Gross Total Return) index and the MSCI UK Value (Gross Total Return) index to MSCI World Value (Net Total Return) Index and the Investment Association Global sector average return). and target benchmark (from FTSE Customised All-Share ex Ethically Screened (Gross Total Return) Index to MSCI World (Net Total Return) Index). Prior to 16 August 2021, historical performance for Schroder Global Sustainable Value Equity Fund is compared against previous target benchmark (FTSE Customised All-Share ex Ethically Screened (Gross Total Return) Index) and its previous comparator benchmarks (FTSE All Share (Gross Total Return) index and the MSCI UK Value (Gross Total Return) index).

Fund	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Investment Association Global sector average return	-11.3	17.6	-	-	-
FTSE Customised All-Share ex Ethically Screened (Gross Total Return) Index	-	-	-9.7	19.0	-9.5
FTSE All Share (Gross Total Return) Index	-	-	-9.8	19.2	-9.5
MSCI UK Value (Gross Total Return) Index	-	-	-	-	-
Schroder High Yield Opportunities Fund					
A Accumulation GBP	-12.5	7.3	5.4	10.4	-5.7
Investment Association High Yield Investment sector average	-9.8	4.2	3.5	11.4	-3.6
Schroder Income Fund [17]					
A Accumulation GBP	0.7	28.5	-16.3	7.4	-1.7
FTSE All Share (Gross Total Return) Index	0.3	18.3	-9.8	19.2	-9.5
Investment Association UK Equity Income sector average	-2.2	18.3	-10.9	20.1	-10.5
MSCI UK Value (Gross Total Return) Index	14.7	17.7	-	-	-
Schroder Income Maximiser Fund					
A Accumulation GBP	1.1	26.2	-17.6	8.7	-2.4
FTSE All Share (Gross Total Return) Index	0.3	18.3	-9.8	19.2	-9.5
Investment Association UK Equity Income sector average	-2.2	18.3	-10.9	20.1	-10.5
Schroder Institutional Pacific Fund					
I Accumulation GBP	7.1	5.9	11.0	16.2	-4.1
MSCI Pacific ex Japan (Gross Total Return) index	6.0	5.8	3.4	13.9	-4.6
MSCI Pacific ex Japan (Net Total Return) index [18]					
Schroder Institutional UK Smaller Companies Fund					
X Income GBP	-23.1	18.1	10.3	21.4	-10.2
FTSE UK Series Small Cap ex Investment Trusts (Gross Total Return) Index	-17.3	31.3	1.7	17.7	-13.8
Investment Association UK Smaller Companies sector average	-25.6	20.6	7.0	25.4	-11.8
Schroder Long Dated Corporate Bond Fund					
X Accumulation GBP	-35.2	-4.6	16.0	17.5	-2.8
ICE BofA 15+ Year Non-Gilt TR GBP	-33.4	-5.4	14.5	16.9	-3.8
Schroder Managed Balanced Fund					
A Accumulation GBP	-	11.0	7.4	15.0	-8.0
I Accumulation GBP	-10.8	-	-	-	-
Investment Association Mixed Investment 40% to 85% Shares sector average	-10.2	11.1	5.5	15.9	-6.1
Schroder Managed Wealth Portfolio Fund					
A Accumulation GBP	-9.2	9.3	4.2	11.2	-5.5
UK Consumer Price Index plus 3.5%	14.5	8.8	3.8	5.0	5.9
Investment Association Mixed Investment 40% to 85% Shares sector average	-10.2	11.1	5.5	15.9	-6.1
Schroder Prime UK Equity Fund					
X Accumulation GBP	1.9	13.5	-5.8	21.1	-8.1
FTSE All Share (Gross Total Return) Index	0.3	18.3	-9.8	19.2	-9.5

[17] With effect from 31 March 2021, Schroder Income Fund added the MSCI UK Value (Gross Total Return) Index as a comparator benchmark.

[18] On the 1st July 2023, the Schroder Institutional Pacific Fund changed its target benchmark from the MSCI Pacific ex Japan (Gross Total Return) index to the MSCI Pacific ex Japan (Gross Net Total Return) index.

Fund	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Investment Association UK All Companies sector average	-9.2	17.1	-6.2	22.4	-11.2
Schroder QEP Global Active Value Fund [19]					
X Income GBP	1.8	23.6	1.3	15.2	-6.6
MSCI AC World (Net Total Return) Index	-8.1	19.6	12.7	21.7	-3.8
MSCI AC World Value (Net Total Return) Index	4.1	20.7	-	-	-
Schroder QEP Global Core Fund					
X Accumulation GBP	-5.1	28.7	8.4	21.6	-3.8
MSCI World (Net Total Return) Index	-7.8	22.9	12.3	22.7	-3.0
Schroder QEP US Core Fund					
I Accumulation GBP	-9.6	33.4	12.0	24.0	-0.4
Standard & Poor's 500 (Net Total Return) Index	-8.2	29.3	14.1	25.7	1.0
Schroder Recovery Fund [20]					
A Accumulation GBP	-0.7	23.7	-12.1	9.0	-4.5
FTSE All Share (Gross Total Return) Index	0.3	18.3	-9.8	19.2	-9.5
Investment Association UK All Companies sector average	-9.2	17.1	-6.2	22.4	-11.2
MSCI UK Value (Gross Total Return) Index	14.7	17.7	-	-	-
Schroder Sterling Broad Market Bond Fund					
X Accumulation GBP	-23.7	-3.4	10.9	10.3	-1.8
50% of the iBoxx GBP Gilts Total Return and 50% of the iBoxx GBP Non-Gilts (Gross Total Return) Index	-21.4	-4.1	8.4	8.2	-0.4
Schroder Sterling Short Term Bond Fund					
X Accumulation GBP	-9.6	-	-	-	-
Bank of America Merrill Lynch Sterling Aggregate 3-5 year Index	-8.5	-	-	-	-
50% ICE BofA 0-3 year UK Gilt index & 50% ICE BofA 0-3 year Sterling Corporate index.	-	-	-	-	-
Schroder Strategic Bond Fund					
A Accumulation GBP	-10.4	5.2	10.3	9.9	-4.7
Investment Association Strategic Bond sector average	-11.7	0.9	6.1	9.2	-2.5
Schroder Sustainable Multi-Factor Equity Fund [21]					
X Accumulation GBP	-10.4	26.3	9.4	19.2	-
MSCI All Countries World (Net Total Return) Index	-8.1	19.6	12.7	21.7	-
MSCI ACWI ex Fossil Fuels (Net Return) Index	-	-	-	-	-
Schroder Tokyo Fund					
A Accumulation GBP	-1.6	3.4	3.7	10.5	-11.1
Tokyo Stock Exchange 1st Section (Gross Total Return) Index	-4.1	2.0	9.5	14.6	-8.4
Tokyo Stock Exchange 1st Section (Net Total Return) Index [22]	-	-	-	-	-
Investment Association Japan sector average	-8.4	1.6	13.9	17.1	-11.3
Schroder UK All Share Tracker Fund					

[19] With effect from 31 March 2021, Schroder QEP Global Active Value Fund changed its investment objective, and comparator benchmark from MSCI AC World (Net Total Return) Index to MSCI AC World Value (Net Total Return) Index, and added a target benchmark of the MSCI AC World (Net Total Return) Index. Prior to 31 March 2021, historical performance for Schroder QEP Global Active Value Fund is compared against previous comparator benchmark (MSCI AC World (Net Total Return) Index).

[20] With effect from 31 March 2021, Schroder Recovery Fund changed its investment objective, and comparator benchmarks. The past performance in the above table is based on the Fund's objective and benchmarks (No target benchmark. Comparator benchmarks: FTSE All Share (Gross Total Return) index and the Investment Association UK All Companies sector average return) in place prior to this date. Going forward, this table will show past performance from this date based on the new objective and benchmarks (Target benchmark: FTSE All Share (Gross Total Return) Index. Comparator benchmarks: MSCI UK Value (Gross Total Return) Index and the Investment Association UK All Companies sector average return).

[21] With effect from 12 November 2025, Schroder Sustainable Multi-Factor Equity Fund added the MSCI ACWI ex Fossil Fuels (Net Return) Index as a comparator benchmark.

[22] On the 1st July 2023, the Schroder Tokyo Fund changed its target benchmark from the Tokyo Stock Exchange 1st Section (Gross Total Return) Index to the Tokyo Stock Exchange 1st Section (Net Total Return) Index.

Fund	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Q Accumulation GBP	-	-	-	-	-
FTSE All Share Total Return index	-	-	-	-	-
Schroder UK Alpha Plus Fund					
A Accumulation GBP	-11.6	10.8	-0.8	17.3	-11.2
FTSE All Share (Gross Total Return) Index	0.3	18.3	-9.8	19.2	-9.5
Investment Association UK All Companies sector average	-9.2	17.1	-6.2	22.4	-11.2
Schroder UK Large Company Tracker Fund					
Q Accumulation GBP	-	-	-	-	-
FTSE 100 Custom Screened Index	-	-	-	-	-
Schroder UK Mid 250 Fund					
A Accumulation GBP	-13.6	19.1	-7.9	26.2	-17.4
FTSE 250 ex Investment Trusts (Gross Total Return) Index	-18.4	18.4	-8.5	30.8	-15.2
Investment Association UK All Companies sector average	-9.2	17.1	-6.2	22.4	-11.2
Schroder UK Multi-Factor Equity Component Fund [23]					
X Accumulation GBP	0.4	18.4	-12.3	19.4	-9.4
FTSE 350 (Gross Total Return) Index	-	-	-10.4	19.2	-9.5
FTSE All-Share (Net Total Return) Index	0.3	18.2	-	-	-
Schroder UK Smaller Companies Fund					
A Accumulation GBP	-26.0	13.5	12.1	19.7	-13.2
FTSE UK Series Small Cap ex Investment Trusts (Gross Total Return) Index	-17.3	31.3	1.7	17.7	-13.8
Investment Association UK Smaller Companies sector average	-25.6	20.6	7.0	25.4	-11.8
Schroder US Mid Cap Fund					
A Accumulation GBP	-3.0	22.6	2.7	24.6	-7.5
Russell 2500 TR Lagged (Gross Total Return) Index [24]	-8.4	19.2	16.0	24.4	-6.2
Russell 2500 TR Lagged (Net Total Return) Index	-	-	-	-	-
Investment Association North American sector average	-10.1	25.2	16.5	24.6	-1.2
Schroder US Equity Income Maximiser Fund					
Z Accumulation GBP	-7.8	26.4	8.8	21.5	-0.8
S&P 500 (Net Total Return) Index	-8.2	29.3	14.1	25.7	1.0
Investment Association North American sector average	-10.1	25.2	16.5	24.6	-1.2
Schroder US Smaller Companies Fund					
A Accumulation GBP	-7.0	23.2	3.7	27.1	-6.8
Russell 2000 Lagged (Gross Total Return) Index	-10.8	15.7	16.2	22.1	-7.3
Russell 2000 Lagged (Net Total Return) Index [25]	-	-	-	-	-
Investment Association North American Smaller Companies sector average	-13.9	14.5	23.5	26.0	-4.6

[23] With effect from 31 March 2021, Schroder Advanced Beta UK Equity Fund changed its name to Schroder UK Multi-Factor Equity Component Fund, and changed its investment objective, policy and constraining benchmark from FTSTE 350 (Gross Total Return) Index to FTSE All-Share (Net Total Return) Index. Prior to 31 March 2021, historical performance for Schroder UK Multi-Factor Equity Component Fund is compared against previous target benchmark (FTSE 350 (Gross Total Return) Index).

[24] On 1st July 2023, the Schroder US Mid Cap Fund changed its target benchmark from the Russell 2500 TR Lagged (Gross Total Return) Index to the Russell 2500 TR Lagged (Net Total Return) Index.

[25] On the 1st July 2023, the Schroder US Smaller Companies Fund changed its target benchmark from the Russell 2000 Lagged (Gross Total Return) Index to the Russell 2000 Lagged (Net Total Return) Index.

Appendix 8

Other information

List of the third party delegates appointed by the trustee as [ ] 2023.

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	Subcustodian	Cash correspondent bank
ARGENTINA	HSBC Bank Argentina S.A. Bouchard 557, 18th 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 1st 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 Loxum, 25 7th Floor 1000 Brussels 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 & Business Centre, 6, route de Treves Senningerberg L-2633 LUXEMBOURG	J.P. Morgan AG Frankfurt am Main
BERMUDA	HSBC Bank Bermuda Limited 37 Front Street Hamilton HM 11 BERMUDA	HSBC Bank Bermuda Limited Hamilton
BOTSWANA	Standard Chartered Bank Botswana Limited 5th 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	Banco J.P. Morgan S.A. Sao Paulo

Market	Subcustodian	Cash correspondent bank
BULGARIA	Citibank Europe plc Serdika Offices 10th 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	Canadian Imperial Bank of Commerce (For clients utilizing J.P. Morgan's domestic CAD solution) Toronto
	Royal Bank of Canada (Note: Clients please refer to your issued settlement instructions) 155 Wellington Street West, 2nd Floor Toronto Ontario M5V 3L3 CANADA	Royal Bank of Canada Toronto
CHILE	Banco Santander Chile Bandera 140, Piso 4 Santiago CHILE	Banco Santander Chile Santiago
CHINA A-SHARE	HSBC Bank (China) Company Limited 33/F, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai 200120 THE PEOPLE'S REPUBLIC OF CHINA	HSBC Bank (China) Company Limited (Note: Clients please refer to your issued settlement instructions) Shanghai
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	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) 48th 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	Citibank Colombia S.A. Bogotá
COSTA RICA	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	BNP Paribas S.A. Athens Branch 2 LAMPSAKOU STR., 11528, 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	Direct participant of the CSD	Nordea Bank Abp Copenhagen
EGYPT	Citibank N.A., Egypt Boomerang Building, Plot 46, Zone J, 1st district, 5th Settlement, New Cairo 11511 EGYPT	Citibank, N.A. New Cairo
ESTONIA	Clearstream Banking S.A.,	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main

Market	Subcustodian	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 S.A. Direct participant of the CSD	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
GEORGIA	JSC Bank of Georgia	JSC Bank of Georgia
GERMANY	Deutsche Bank AG Alfred-Herrhausen-Allee 16-24 D-65760 Eschborn GERMANY	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	BNP Paribas S.A. Athens Branch 2 LAMPSAKOU STR., 11528, Athens, GREECE	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
HONG KONG	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) 18th 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.
ICELAND	Islandsbanki hf. Kirkjusandur 2 IS-155 Reykjavik ICELAND	Islandsbanki hf. Reykjavik
INDIA	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) 6th 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 – 8th floor Jl. Jenderal Sudirman Kav. 29-31 INDONESIA	PT Bank HSBC Indonesia Jakarta
IRELAND	Direct participant of the CSD	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	BNP Paribas SA, Succursale Italia 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 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	Subcustodian	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	Citibank Kazakhstan Joint Stock Company Park Palace, Building A, Floor 2 41 Kazybek Bi Almaty 050010 KAZAKHSTAN	Citibank Kazakhstan 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	Clearstream Banking S.A.	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
LITHUANIA	Clearstream Banking S.A.	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
LUXEMBOURG	Clearstream Banking S.A.	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
MALAWI	Standard Bank PLC Kaomba Centre, Cnr Glyn Jones Road & Victoria Avenue, P.O. Box 1111 Blantyre MALAWI	Standard Bank Limited, Malawi Blantyre
MALAYSIA	HSBC Bank Malaysia Berhad 2 Leboh Ampang 12th 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
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 2nd Floor, Standard Bank Centre Cnr. Stroebel and Post Streets P.O.Box 3327 Windhoek NAMIBIA	The Standard Bank of South Africa Limited Johannesburg
NETHERLANDS	BNP Paribas SA 2009 Direct participant of the CSD	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main

Market	Subcustodian	Cash correspondent bank
NEW ZEALAND	JPMorgan Chase Bank, N.A. New Zealand Branch Level 13, 2 Hunter Street Wellington 6011 NEW ZEALAND	ANZ Bank New Zealand Limited ANZ Centre, 23-29 Albert Street, Auckland, New Zealand JPMorgan Chase Bank, N.A. New Zealand Branch 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
OMAN	HSBC Bank Oman S.A.O.G. 2nd 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 2nd 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 1st District 010072 Bucharest ROMANIA	ING Bank N.V. Bucharest

Market	Subcustodian	Cash correspondent bank
RUSSIA	Commercial Bank J.P. Morgan Bank International (Limited Liability Company) 10, Butyrsky Val White Square Business Centre Floor 12 Moscow 125047 RUSSIA	Commercial Bank J.P. Morgan Bank International (Limited Liability Company) 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
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
SOUTH KOREA	Standard Chartered Bank Korea Limited (Note: Clients please refer to your issued settlement instructions) 47 Jongro, Jongro-Gu Seoul 3160 SOUTH KOREA Kookmin Bank Co., Ltd. (Note: Clients please refer to your issued settlement instructions) 84, Namdaemun-ro, Jung-gu Seoul 100-845 SOUTH KOREA	Standard Chartered Bank Korea Limited (Note: Clients please refer to your issued settlement instructions) Seoul Kookmin Bank Co., Ltd. (Note: Clients please refer to your issued settlement instructions) Seoul
SPAIN	CACEIS Bank Spain, S.A.U. Paseo Club Deportivo 1 Edificio 4 Planta Segunda Madrid, 28223 SPAIN	J.P. Morgan AG (J.P. Morgan affiliate) Frankfurt am Main
SRI LANKA	The Hongkong and Shanghai Banking Corporation Limited 24 Sir Baron Jayatillaka Mawatha Colombo 1 SRI LANKA	The Hongkong and Shanghai Banking Corporation Limited Colombo
SWEDEN	Skandinaviska Enskilda Banken (publ) Kungstradgardsgatan 8 Stockholm PO Box 106 40 SWEDEN	Nordea Bank Abp, Sweden Smålandsgatan 17,N/A, 105 71 Stockholm
SWITZERLAND	UBS Switzerland AG 45 Bahnhofstrasse 8021 Zurich SWITZERLAND	UBS Switzerland AG Zurich

Market	Subcustodian	Cash correspondent bank
TAIWAN	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) 8th Floor, Cathay Xin Yi Trading Building No. 108, Section 5, Xin Yi Road Taipei 11047 TAIWAN	JPMorgan Chase Bank, N.A. (J.P. Morgan affiliate) Taipei
TANZANIA	Stanbic Bank Tanzania Limited Stanbic Centre Corner Kinondoni and A.H.Mwinyi Roads P.O. Box 72648 Dar es Salaam TANZANIA	Stanbic Bank Tanzania Limited Dar es Salaam
RESTRICTED SERVICE ONLY.		
THAILAND	Standard Chartered Bank (Thai) Public Company Limited 14th Floor, Zone B Sathorn Nakorn Tower 90 North Sathorn Road Bangrak Silom, Bangrak Bangkok 10500 THAILAND	Standard Chartered Bank (Thai) Public Company Limited Bangkok
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
RESTRICTED SERVICE ONLY.		
UNITED ARAB EMIRATES	HSBC Bank Middle East Limited (United Arab Emirates Bank) Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES	First Abu Dhabi Bank P.J.S.C. Abu Dhabi
UNITED KINGDOM	Direct participant of the CSD Deutsche Bank AG Depository and Clearing Centre 10 Bishops Square, 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
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

Market	Subcustodian	Cash correspondent bank
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
RESTRICTED SERVICE ONLY.		
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
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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

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

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

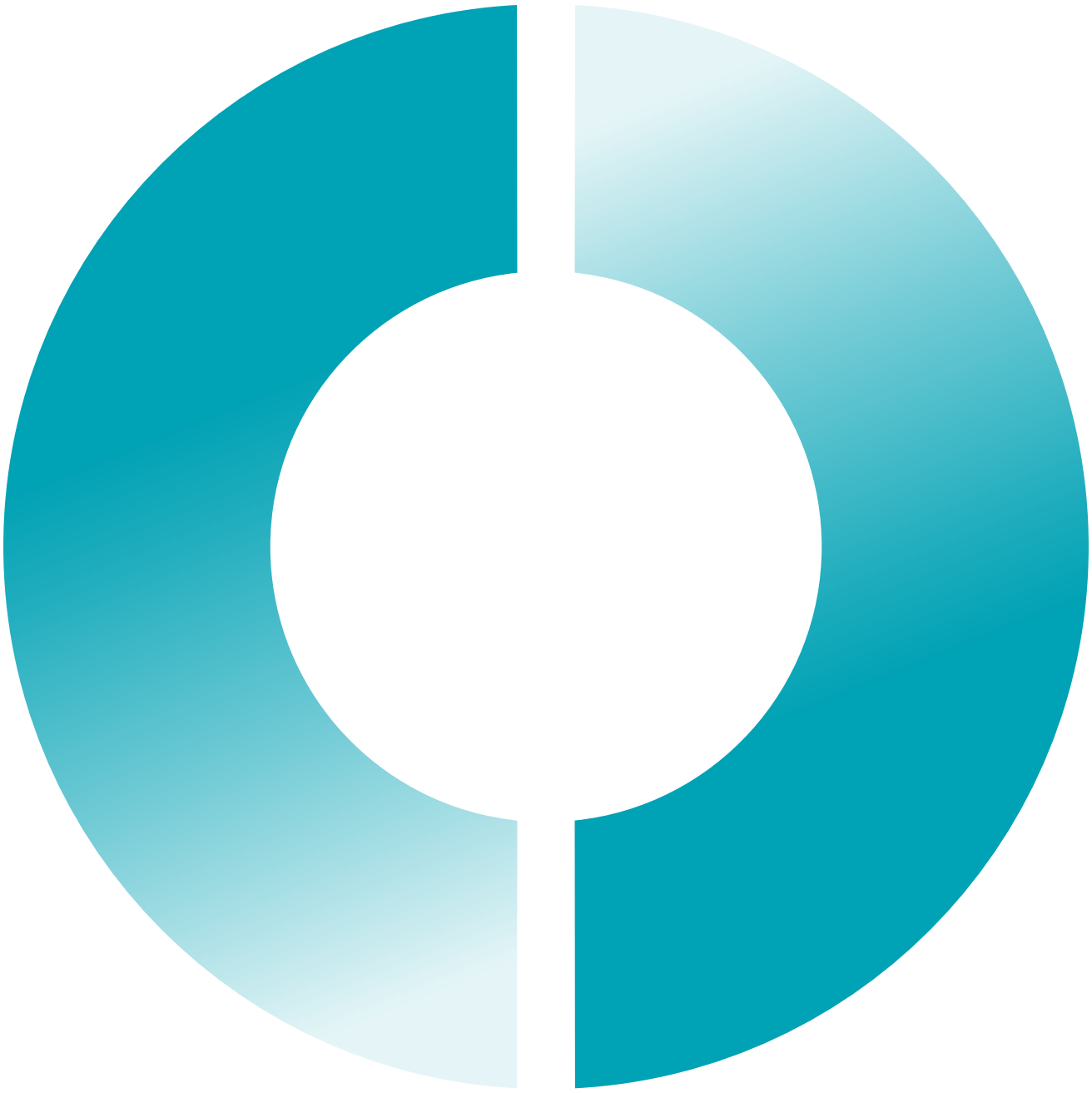
a holder of a Unit in a Fund

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

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU

SUTL UCITS AUT Prospectus GBEN 25 August 2026