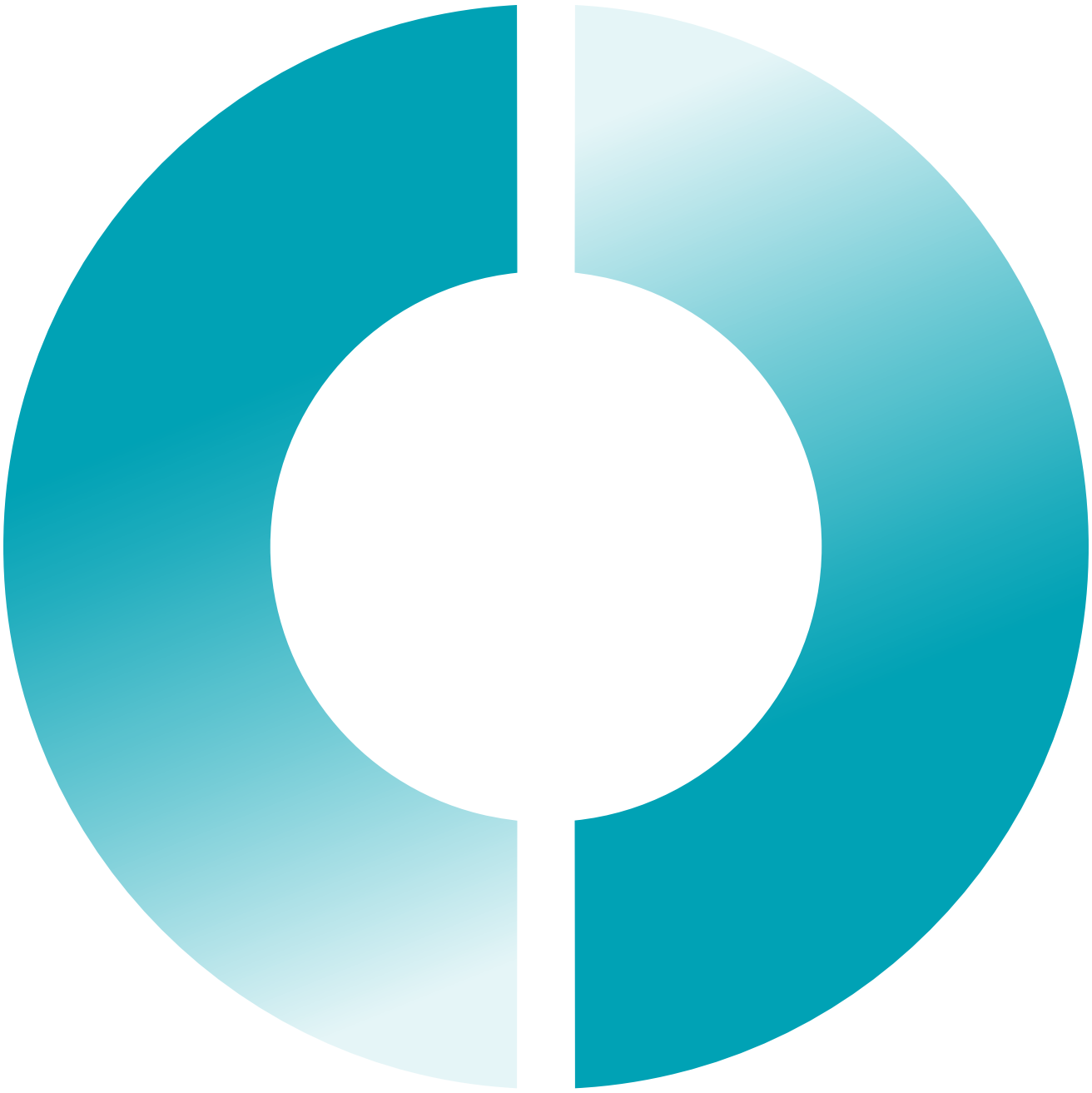
Schroder Special Situations Fund

Prospectus

November 2026

Luxembourg



(a Luxembourg domiciled open-ended investment company)

Schroders

Schroder Special Situations Fund
(a Luxembourg domiciled open-ended investment company)

Prospectus

November 2026

Schroder Investment Management (Europe) S.A.
Webpage: https://www.schroders.com

Important Information

Copies of this Prospectus can be obtained from and enquiries regarding the Company should be addressed to:

Schroder Investment Management (Europe) S.A.
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg
Tel: (+352) 341 342 202
Fax: (+352) 341 342 342

This prospectus (the "Prospectus") should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to herein.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Management Company. Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The Directors, whose names appear below, have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge and belief, in accordance with the facts and does not omit anything material to such information. The Directors accept responsibility accordingly.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Investors wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the tax consequences of any transaction in Shares.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all of the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

For the purposes of the General Data Protection Regulation 2016/679 ("GDPR"), the data controllers in relation to any personal data you supply are the Company and the Management Company.

In order to comply with the obligations and responsibilities under the GDPR, the Company and the Management Company are required by law to make available to you a privacy policy which details how Schroders collect, use, disclose, transfer, and store your information. Please find a copy of the privacy policy at https://www.schroders.com/en/privacy-policy. You hereby acknowledge that you have read and understood the contents of the privacy policy.

Investors should note that investor data (such as name and address) may be transferred by or on Schroder Investment Management (Europe) S.A.'s behalf to certain third party service providers, such as paying agents or facilities agents, in the EEA, Switzerland, the UK, Hong Kong and India. The list of countries will be updated prior to any transfer of investor data to a third-party service provider located in a new country and investors will be notified via a notice on the website: https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/notifications/schroder-ssf/

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries.

Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

The Management Company may use telephone recording procedures to record any conversation. Investors are deemed to consent to the recording of conversations with the Management Company and to the use of such recordings by the Management Company and/or the Company in legal proceedings or otherwise at their discretion.

The price of Shares in the Company and the income from them may go down as well as up and an Investor may not get back the amount invested.

For each Fund that has environmental and/or social characteristics (within the meaning of Article 8 SFDR) or has the objective of sustainable investment (within the meaning of Article 9 SFDR) information about such characteristics or objective is available in the pre-contractual disclosures for each Fund in Appendix V.

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Definitions

ABCP(s)

asset backed commercial paper(s)

Accumulation Shares

shares which accumulate their net income so that the income is included in the price of the shares

Administrator

J.P. Morgan SE, Luxembourg Branch, acting as depositary bank and fund administrator

Alternative Asset Classes

asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in the Fund's details in Appendix III and IV

Annual Distribution Charge

the cost charged for the distribution of the Funds in this Prospectus, expressed as a percentage of the net assets

Annual Management Charge

the cost charged for the investment management of the Funds in this Prospectus, expressed as a percentage of the net assets

Articles

the articles of association of the Company as amended from time to time

Asia

China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and other economies in the Asian continent including but not limited to Bangladesh, Brunei, Cambodia, Pakistan, Mongolia, Myanmar, Nepal, Sri Lanka, Bhutan, East Timor, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Vietnam

Asia Pacific

China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Australia, New Zealand and other economies in the Asian continent including but not limited to Bangladesh, Brunei, Cambodia, Pakistan, Mongolia, Myanmar, Nepal, Sri Lanka, Bhutan, East Timor, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Vietnam

AUD

Australian Dollar

Avoided Emissions

emission reductions that occur as a result of the use of a product or service. Avoided emissions represent the emissions savings that are derived as a result of greater efficiencies in terms of impact on the climate within that product or service. The concept of avoided emissions applies across many industries; examples may include products that avoid emissions by including thermal insulation to help reduce heat loss; teleconferencing services that limit the need for long distance travel; or energy-efficient lightbulbs that consume less electricity

Bond Connect

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"), Bond Connect provides foreign institutional investors a more streamlined access to the CIBM

BRL

Brazilian Real

Business Day

unless otherwise provided in the Fund's details in Appendix III and Appendix IV, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day

CAD

Canadian Dollar

CHF

Swiss Franc

China A-Shares

equity securities of Chinese companies listed and traded in RMB on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges

China B-Shares

equity securities of Chinese companies listed and traded in HKD or USD on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges

China H-Shares

equity securities of Chinese companies listed and traded in Hong Kong Stock Exchange or other foreign exchanges

Company

Schroder Special Situations Fund

CSSF

Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority)

CSSF Circular 14/592

the CSSF Circular 14/592 relating to the Guidelines on the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues

Dealing Cut-off Time

the time by which dealing instructions must be received by the Management Company in order to be executed on a Dealing Day as defined for each Fund in Appendix III and Appendix IV

Dealing Day

unless otherwise provided for in the Fund's details in Appendix III and Appendix IV, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Fund and such other day as the Directors may decide from time to time. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are closed for trading and /or settlement, and may elect to treat such closures as non-Dealing Days for Funds which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of expected non-Dealing Days for the Funds is available from the Management Company on request and is also available on the webpage https://www.schroders.com

Depositary

J.P. Morgan SE, Luxembourg Branch, acting as depositary bank and fund administrator

Directors or Board of Directors

the board of directors of the Company

Distributor

a person or entity duly appointed from time to time by the Management Company to distribute or arrange for the distribution of Shares

Distribution Period

the period from one date on which dividends are paid by the Company to the next. This may be annual or shorter where dividends are paid more regularly

Distribution Shares

shares which distribute their income

EEA

European Economic Area

Eligible Asset

a transferable security of any kind or any other permitted asset as more fully described in Appendix I

Eligible State

includes any member state of the European Union ("EU"), any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the Directors deem appropriate

Emerging Market

any country that is included in the JP Morgan Emerging Markets Bond Global Diversified Index or composite thereof (or any successor index, if revised), or any country classified by the World Bank as a low to upper middle income country

EMU

Economic and Monetary Union

ESG

environmental, social and governance considerations

EU

European Union

EUR

the European currency unit (also referred to as the Euro)

Exchange Traded Fund

an investment fund (including, but not limited to, an Investment Fund) listed on a stock exchange which represents a pool of securities, commodities or currencies which typically track the performance of an index. Exchange Traded Funds (ETFs) are traded like shares. Investment in open-ended or closed-ended ETFs will be allowed if they qualify as (i) UCITS or other UCIs or (ii) transferable securities, respectively

Financial Indices

means any index compliant with Article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592

Fund

a specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate Share Class or Share Classes

Fund Currency

the base currency of a Fund

GBP

Great British Pound

Green Bond Principles

Green Bond Principles are voluntary process guidelines issued by the International Capital Market Association (ICMA) that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for the issuance of a Green Bond. The Green Bond Principles are based on four core components: (i) use of proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds, and (iv) reporting, as well as recommendations for the use of external reviews

Gross Asset Value

the amount of assets determined on the basis of the value of the assets of the Fund excluding liabilities of the Fund

HKD

Hong Kong Dollar

Institutional Investor

an investor, whether established in Luxembourg or elsewhere, within the meaning of article 174(2) of the Law, which means the following:

- Institutional Investors stricto sensu, such as banks and other financial sector professionals, insurance and reinsurance companies, other companies, social security institutions and pension funds, sovereign wealth funds and official institutions, all subscribing on their own behalf, and the structures such Institutional Investors put into place for the management of their own assets;
- Credit institutions and other financial sector professionals (including but not limited to discretionary investment managers) investing in their own name but on behalf of Institutional Investors described above, including on the basis of a discretionary management mandate;
- Credit institutions and other financial sector professionals (including but not limited to discretionary investment managers) investing in their own name but on behalf of non institutional clients on the basis of a discretionary management mandate;
- Collective investment undertakings;
- Holding companies and similar entities whose shareholders are Institutional Investors as described in the above paragraphs;
- Holding companies and similar entities whose shareholder(s)/ beneficial owner(s) is/are individual(s) who may reasonably be regarded as sophisticated investor(s) and where the purpose of the holding company is to hold important financial interests/ investments for an individual or a family;
- Holding companies and similar entities which as a result of their structure and activity have a true substance and hold important financial interests / investments.

Investment Fund(s)

a UCITS or other UCI in which the Funds may invest, as determined in the investment rules described in Appendix I

Investment Trust(s)

a closed-ended investment company that invests in shares of other companies. An Investment Trust is classified as a transferable security, and thereby qualifies as an eligible investment for a UCITS under the Luxembourg Law, if it is listed on a Regulated Market. Investments in Investment Trusts which are not listed on a Regulated Market, are currently limited to 10% of the Net Asset Value of a Fund under Luxembourg Law (together with any other investments made in accordance with investment restriction in Appendix I)

Investor

a subscriber for Shares

JPY

Japanese Yen

Law

the law on undertakings for collective investment dated 17 December 2010, as amended from time to time

Management Company

Schroder Investment Management (Europe) S.A.

Market Neutral

Funds following this strategy attempt to exploit market inefficiencies between stocks via pair trades or baskets of stocks. This is achieved by investing similar amounts long and short in related companies. The companies will typically have similar characteristics, such as sector, industry, country or market capitalisation

Mark-to-Market

the valuation, in accordance with Article 29(3) of the MMFR, of positions at readily available closing prices that are sourced independently, including exchange prices, screen prices, or quotes from several independent reputable brokers

Mark-to-Model

any valuation, in accordance with Article 29(4) of MMFR, which is benchmarked, extrapolated or otherwise calculated from one or more market inputs

Money Market Fund Regulation or MMFR

the regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds, as it may be amended or supplemented from time to time

Money Market Fund

an undertaking for collective investment authorised in accordance with MMFR subject to specific provisions disclosed in Appendix III and Appendix IV to this Prospectus

Money Market Instruments

instruments as defined in Article 2(1)(o) of the UCITS Directive and as referred to in Article 3 of Commission Directive 2007/16/EC which meet the conditions of MMFR

Money Market Investments

money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Net Asset Value

Net Asset Value per Share (as described below) multiplied by the number of Shares

Net Asset Value per Share

the value per Share of any Share Class determined in accordance with the relevant provisions described under the heading "Calculation of Net Asset Value" as set out in Section

2.4 or, if applicable, under the heading “Specific provisions on the calculation of the Net Asset Value per Share of Funds qualifying as Money Market Funds” in Appendix IV

Ongoing Charge

the Fund’s Ongoing Charge is made up of the management fee, distribution charge, shareholder servicing fee and other operating fees

OTC

over-the-counter

Paris Agreement

the Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels

Real Estate Investment Fund or REIT

is an entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate development activities. The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established. Investment in REITs will be allowed if they qualify as transferable securities. A closed-ended REIT, the units of which are listed on a Regulated Market is classified as a transferable security listed on a Regulated Market thereby qualifying as an eligible investment for a UCITS under the Luxembourg Law

Reference Currency

the currency in which a Share Class is offered to Investors

Regulated Market

a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State

Regulations

the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF’s positions

Reporting Fund

a Fund or a Share Class that complies with UK HMRC's tax regime for offshore funds and therefore has a certain tax status relevant for UK tax paying Shareholders

RMB

Renminbi, the official currency of the People's Republic of China; is used to denote the Chinese currency traded in the onshore and the offshore markets (primarily in Hong Kong). For clarity purposes, all the references to RMB in the name of a Fund or in its reference currency must be understood as a reference to offshore RMB

Schroders

the Management Company’s ultimate holding company and its subsidiaries and affiliates worldwide

Schroder Funds

investment funds managed by a member of the Schroders corporate group

SFDR

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

SGD

Singapore Dollar

Share

a share of no par value in any one Share Class in the capital of the Company

Share Class

a class of Shares with a specific fee structure or any other specific features

Shareholder

a holder of Shares

Standard Variable Net Asset Value Money Market Fund

a Money Market Fund that (i) invests in Money Market Instruments referred to in Article 10 (1) and (2) of the MMFR, (ii) is subject to the portfolio rules set out in Article 25 of the MMFR and (iii) complies with the specific requirements laid down in Articles 29, 30 and 33 (1) of the MMFR

Taxonomy

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment

Transfer Agent

HSBC Continental Europe, Luxembourg, acting as the provider of registrar and transfer agency services

UCI

an "undertaking for collective investment" within the meaning of Article 1(25) of the Law

UCITS

an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1 (2) of the UCITS Directive

UCITS Directive

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS

UCITS Risk Measurement Rules

the rules applying to UCITS in the context of risk measurement and calculation of global exposure, including the ESMA guidelines 10-788, CSSF Regulation 10-4 and CSSF Circular 11/512 and any applicable regulations or guidelines in this context

UK

United Kingdom

UN SDGs

United Nations Sustainable Development Goals

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

USD

United States Dollar

Weighted Average Life

the average length of time to legal maturity of all of the underlying assets in a Money Market Fund reflecting the relative holdings in each asset

Weighted Average Maturity

the average length of time to legal maturity or, if shorter, to the next interest rate reset to a money market rate, of all of the underlying assets in a Money Market Fund reflecting the relative holdings in each asset

All references herein to time are to Luxembourg Time unless otherwise indicated.

Words importing the singular shall, where the context permits, include the plural and vice versa.

Board of Directors

Chairman

- **Eric BERTRAND**
  Non-Executive Director
  Vaults 13-16
  Valletta Waterfront
  FRN 1914
  Malta

Directors

- **Carla BERGARECHE**
  Head of Wealth Strategic Partnerships
  Schroder Investment Management (Europe) S.A., Spanish branch
  Pinar 7, 4th Floor
  28006 Madrid
  Spain

- **Bernard HERMAN**
  Independent Director
  BH Consulting S.à.r.l.
  26, Rue Glesener
  L-1630 Luxembourg
  Grand Duchy of Luxembourg

- **Ross LEACH**
  Specialist Solutions
  Schroder Investment Management Limited
  One London Wall Place
  London EC2Y 5AU
  United Kingdom

- **Hugh MULLAN**
  Independent Director
  5, Heienhaff
  L-1736 Senningerberg
  Grand Duchy of Luxembourg

- **Wim NAGLER**
  Head of Business Development, EMEA
  Schroder Investment Management (Europe) S.A., French Branch
  1 Rue Euler
  75008 Paris
  France

- **Peter NELSON**
  Head of Product Development
  Schroder Investment Management Limited
  One London Wall Place
  London EC2Y 5AU
  United Kingdom

- **Yves FRANCIS**
  Independent Director
  5, Heienhaff
  L-1736 Senningerberg
  Grand Duchy of Luxembourg

Administration

Registered Office

5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Management Company and Domiciliary Agent

Schroder Investment Management (Europe) S.A.
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Investment Managers

Schroder Investment Management Limited
One London Wall Place
London EC2Y 5AU
United Kingdom

Schroder Investment Management North America LLC.
7 Bryant Park, New York
New York 10018-3706
United States of America

Schroder & Co. Ltd
One London Wall Place
London EC2Y 5AU
United Kingdom

Schroder Investment Management (Europe) S.A. – German Branch
Taunustor 1 (TaunusTurm)
D-60310 Frankfurt am Main
Germany

Depositary and Administrator

J.P. Morgan SE, Luxembourg Branch
European Bank and Business Centre
6 route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Independent Auditors

KPMG Audit S.à r.l.
39, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Principal Legal Adviser

Elvinger Hoss Prussen, *société anonyme*
2, place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

Principal Paying Agent

HSBC Continental Europe, Luxembourg
18, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Transfer Agent

HSBC Continental Europe, Luxembourg
18, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Section 1

1. The Company

1.1. Structure

The Company is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ("SICAV"). The Company operates separate Funds, each of which is represented by one or more Share Classes. The Funds are distinguished by their specific investment policy or any other specific features.

The Company constitutes a single legal entity, but the assets of each Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Fund and the assets of a specific Fund are solely accountable for the liabilities, commitments and obligations of that Fund.

The Directors may at any time resolve to set up new Funds and/or create within each Fund one or more Share Classes and this Prospectus will be updated accordingly. The Directors may also at any time resolve to close a Fund, or one or more Share Classes within a Fund to further subscriptions.

Certain Shares may be listed on the Luxembourg Stock Exchange as well as any other recognised stock exchange.

1.2. Investment Objectives and Policies

The exclusive objective of the Company is to place the funds available to it in transferable securities and other permitted assets of any kind, including derivatives, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios.

The specific investment objective and policy of each Fund is described in Appendix III and Appendix IV.

The investments of each Fund shall at any time comply with the restrictions set out in Appendix I or in Appendix III and Appendix IV as appropriate.

Investors should, prior to any investment being made, take due account of the risks of investments set out in Appendix II or in Appendix III and Appendix IV as appropriate.

Section 2

2. Share Dealing

2.1. Subscription for Shares

How to subscribe

Investors subscribing for Shares for the first time should complete an application form and send it with applicable identification documents by post to the Transfer Agent. Application forms may be accepted by facsimile transmission or other means approved by the Transfer Agent, provided that the original is immediately forwarded by post. If completed application forms and cleared funds are received by the Transfer Agent for any Dealing Day before the Dealing Cut-off Time as specified in Appendix III and Appendix IV, Shares will normally be issued at the relevant Net Asset Value per Share, as defined under "Calculation of Net Asset Value", determined on the Dealing Day (plus any applicable initial charge). For completed applications received after the Dealing Cut-off Time, Shares will normally be issued at the relevant Net Asset Value per Share on the immediately following Dealing Day (plus any applicable initial charge).

Each Investor will be given a personal account number which, along with any relevant transaction number should be quoted on any payment by bank transfer. Any relevant transaction number and the personal account number should be used in all correspondence with the Transfer Agent or any Distributor.

Different subscription procedures may apply if applications for Shares are made through Distributors.

All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

However, the Directors may permit, if they deem it appropriate, different Dealing Cut-off Times to be determined in justified circumstances, such as distribution to Investors in jurisdictions with a different time zone. Such different Dealing Cut-off Times may either be specifically agreed upon with Distributors or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned. In such circumstances, the applicable Dealing Cut-off Times applied to Shareholders must always precede the valuation point of the Funds for that Dealing Day.

In respect of the Funds with a Dealing Cut-off Time of 13.00 on the preceding Dealing Day, as specified in Appendix III and Appendix IV, if application forms and cleared funds are received before 13.00 on the preceding Dealing Day, Shares will normally be issued at the relevant Net Asset Value per Share, as defined below under "Calculation of Net Asset Value", determined on the immediately following Dealing Day (plus any applicable initial charge). For completed applications received after 13.00 on the preceding Dealing Day, Shares will normally be issued at the relevant Net Asset Value per Share on the second following Dealing Day (plus any applicable initial charge).

Subsequent subscriptions for Shares do not require completion of an additional application form. However, Investors shall provide written instructions as agreed with the Transfer Agent to ensure smooth processing of subsequent subscriptions. Instructions may also be made by letter, facsimile transmission, in each case duly signed, or such other means approved by the Transfer Agent.

Confirmations of transactions will normally be dispatched on the Business Day following the execution of subscription instructions. Shareholders should promptly check these confirmations to ensure that they are correct in every detail. Investors are advised to refer to the terms and conditions on the application form to inform themselves fully of the terms and conditions to which they are subscribing.

Please refer to Appendix III and Appendix IV for more details on the Dealing Cut-off Times and dealing frequency for each Fund.

How to pay

Payment should be made by electronic bank transfer net of all bank charges (i.e. at the Investor's expense). Further settlement details are available on the application form.

Shares are normally issued once settlement in cleared funds is received. In the case of applications from approved financial intermediaries or other Investors authorised by the Management Company, the issue of Shares is conditional upon the receipt of settlement within a previously agreed period not exceeding the settlement period as stated in Appendix III and Appendix IV. Any non-Dealing Days for a Fund falling within the settlement period are excluded from the calculation of the settlement date. If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. Payment should arrive in the appropriate bank account, as specified in the settlement instructions, at the latest by 17:00 on the settlement date. Payments received after this time may be considered to have settled on the next Business Day on which the bank is open. If timely settlement is not made, an application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company, Management Company or Transfer Agent against any partial settlement made or existing holding of the applicant in the Company. No interest will be payable on any money returnable to the Investor held by the Management Company or Transfer Agent pending confirmation of a transaction.

Payments in cash will not be accepted. Third party payments will only be accepted at the Management Company's discretion.

Different settlement procedures may apply if applications for Shares are made through Distributors.

Currency Exchange Service

Payments to and from the Shareholder should normally be made in the currency of the relevant Share Class. However, if the Shareholder selects a currency other than the currency of the relevant Share Class for any payments to or from the Company, this will be deemed to be a request by the Shareholder to the Management Company acting on behalf of the Company to provide a foreign exchange service (provided by the Transfer Agent on the Management Company's behalf) to the Shareholder in respect of such

payment. Details of the charge applied to foreign exchange transactions, which is retained by the Management Company, are available upon request from the Management Company acting on behalf of the Company. The cost of currency conversion and other related expenses will be borne by the relevant Investor. This currency exchange service will not be available for certain Funds, as indicated in Appendix III and Appendix IV. For such Funds, payments to and from the Shareholder shall be made in the currency of the relevant Share Class.

Price Information

The Net Asset Value per Share of one or more Share Classes is published daily or in line with the valuation frequency of the relevant Fund in such newspapers or other electronic services as determined from time to time by the Directors. It may be made available on the Schroder Investment Management (Europe) S.A. webpage https://www.schroders.com and is available from the registered office of the Company unless otherwise provided for in Appendix IV in respect of a Money Market Fund. Neither the Company nor the Distributors accept responsibility for any error in publication or for non-publication of the Net Asset Value per Share.

Types of Shares

Shares are issued only in registered form. Registered Shares are in non-certificated form. Fractional entitlements to registered Shares will be rounded to two decimal places (unless otherwise agreed with the Management Company). Shares may also be held and transferred through accounts maintained with clearing systems.

General

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Management Company and/or the Company in their absolute discretion reserve the right to instruct the Transfer Agent to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the applicant without interest. Prospective applicants should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

The Management Company may have agreements with certain Distributors pursuant to which they agree to act as or appoint nominees for Investors subscribing for Shares through their facilities. In such capacity, the Distributor may effect subscriptions, switches, and redemptions of Shares in nominee name on behalf of individual Investors and request the registration of such operations on the register of Shareholders of the Company in nominee name. The Distributor or nominee maintains its own records and provides the Investor with individualised information as to its holdings of Shares. Except where local law or custom proscribes the practice, Investors may invest directly in the Company and not avail themselves of a nominee service. Unless otherwise provided by local law, any Shareholder holding Shares in a nominee account with a Distributor has the right to claim, at any time, direct title to such Shares.

The Management Company draws however the Investors' attention to the fact that any Investor will only be able to fully exercise his Shareholder rights directly against the Company, if the Investor is registered himself and his own name is recorded in the Shareholders' register. In cases where an Investor invests in the Company through a Distributor or a nominee investing into the Company in his own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder rights directly against the Company or to be indemnified directly from the Company in case of Net Asset Value calculation errors and/or non-compliance with investment rules and/or other errors at the level of the Fund. Investors are advised to take advice on their rights.

In accordance with the Law, the issue of Shares shall be prohibited:

(i) during the period where the Company has no depositary; and

(ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

Subscriptions in Kind

The Board of Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Fund pursuant to its investment policy and restrictions. Any such subscriptions in kind will be made at the Net Asset Value of the assets contributed calculated in accordance with the rules set out in Section 2.4 or, if applicable, under the heading “Specific provisions relating to the calculation of the Net Asset Value per Share” in Appendix IV: Additional Information for Money Market Funds hereafter and will be the subject of an independent auditor’s report drawn up in accordance with the requirements of Luxembourg law and will be at the subscriber’s expense.

Should the Company not receive good title on the assets contributed this may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Management Company against any existing holding of the applicant in the Company.

Anti Money Laundering Procedures

Pursuant to international norms and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 relating to the fight against money laundering and terrorism financing, as amended, and the Grand-Ducal Regulation of 1 February 2010 providing details on certain provisions of the amended law of 12 November 2004 and the amended CSSF Regulation 12/02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended by CSSF regulation 20-05), obligations have been imposed on all professionals in the financial sector to prevent money laundering and terrorism financing.

As a result of such provisions, the Management Company, acting on behalf of the Company, has delegated the performance of due diligence and ongoing due diligence, in accordance with Luxembourg laws and regulations. To fulfil this requirement, the Transfer Agent (on behalf of the Management Company) has established a procedure to identify all the Company's Investors. The Transfer Agent (on behalf of the Management Company) may request any information and supporting documentation it deems necessary, including information about beneficial ownership, source of funds and origin of wealth. In any case, the Management Company and/or Transfer Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

In case of delay or failure by an Investor to provide the documents required, an application for subscription or, if applicable, any other transaction may not be accepted and in the case of an application for redemption, redemption proceeds may be withheld. The Management Company may also delay or suspend the payment of dividends until relevant and satisfactory information and/or documentation is received. Neither the Company nor the Management Company nor the Transfer Agent have any liability for delays or failure to process deals as a result of the Investor providing no or only incomplete information and/or documentation.

In accordance with article 3 of the CSSF Regulation 12/02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended by CSSF regulation 20-05, an enhanced due diligence will be applied on the Company's cross-border intermediaries. In this context, Investors must inform without delay the Transfer Agent when the person(s) designated as beneficial owner(s) change and in general, ensure at all times that each piece of information and each document provided to the Transfer Agent or intermediary and/or nominee remains accurate and up-to-date.

The Management Company shall ensure that due diligence measures on the Company's investments are applied on a risk-based approach in accordance with Luxembourg applicable laws and regulations.

Statement for the purposes of the UK Offshore Funds (Tax) Regulations 2009

In accordance with the requirements laid out in Chapter 6 of the UK Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) the Directors hereby state that:

Equivalence Condition

The Company complies with the requirements of the UCITS Directive.

Genuine Diversity of Ownership Condition

Interests in the Funds are widely available, and the Management Company undertakes 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 Share Class, and are not intended to be limited to particular Investors or narrowly-defined groups of Investor. Please refer to Appendix III and Appendix IV for details of the minimum levels of investment and/or Investor categories that are specified as eligible to acquire particular Share Classes.

Provided that a person meets the broad requirements for investment in any given Share Class, he/she may obtain information on and acquire the relevant Shares in the Company, subject to the paragraphs immediately following.

Investment Restrictions applying to US Investors

The Company has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the US and such Shares may be offered, sold or otherwise transferred only in compliance with the Securities Act and such state or other securities laws. The Shares of the Company may not be offered or sold to or for the account, of any US Person. For these purposes, US Person shall mean any person defined as a US person under Regulation S of the Securities Act.

If you are in any doubt as to your status, you should consult your financial or other professional adviser.

Investment Restrictions applying to Canadian Investors

The Shares of the Company will not be publicly offered in Canada. Any offering of Shares of the Company in Canada will be made only by way of private placement: (i) pursuant to a Canadian offering memorandum containing certain prescribed disclosure, (ii) on a basis which is exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities and pursuant to applicable requirements in the relevant Canadian jurisdictions, and (iii) to persons or entities that are "accredited investors" (as such term is defined in National Instrument 45-106 Prospectus and Registration Exemptions) and, if required, "permitted clients" (as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations).

The Management Company is not registered in any capacity in any jurisdiction in Canada and may rely on one or more exemptions from various registration requirements in certain Canadian jurisdictions. In addition to being an "accredited investor", a Canadian-resident Investor may also be required to be a "permitted client". If a Canadian-resident Investor, or an Investor that has become a Canadian-resident after purchasing Shares of the Company, is required to be a "permitted client" and does not qualify, or no longer qualifies, as a "permitted client", the Investor will not be able to purchase any additional Shares of the Company and may be required to redeem its outstanding Shares.

Investment Restrictions applying to Dubai International Financial Centre (DIFC) Investors

This Prospectus relates to Funds which are not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with these Funds. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Units (Shares) to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units (Shares). If you do not understand the contents of this document you should consult an authorized financial adviser.

Investment Restrictions applying to Hong Kong Investors

Unless otherwise disclosed in this Prospectus or other supplementary documents thereto, this Prospectus contains information on Funds that may not be authorised by the Securities & Futures Commission of Hong Kong (the "SFC") pursuant to Section 104 of the Securities and Futures Ordinance ("SFO").

No offer shall be made to the public of Hong Kong in respect of the unauthorised Funds. Such unauthorised Funds may only be offered or sold in Hong Kong to persons who are "professional investors" as defined in the SFO (and any rules made under the SFO) or in other circumstances which do not otherwise contravene the SFO or any other applicable laws in Hong Kong.

In addition, this Prospectus of such unauthorised funds may only be distributed, circulated or issued to persons who are "professional investors" under the SFO (and any rules made thereunder) or as otherwise permitted under the Hong Kong laws.

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this material, you should obtain independent professional advice.

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 Management Company. 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.

"**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 (1), (2), or (3), the relevant natural person who holds the position of a senior managing official of the Shareholder;

(E) if the Shareholder is a trust, the author of the trust, the trustee, the beneficiaries with 10% or more interest in the trust, and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

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

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

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

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

(A) a person residing in India for more than 182 days during the course of the preceding financial year but does not include:

  (1) a person who has gone out of India or who stays outside India, in either case:

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

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

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

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

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

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

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

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

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

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

Notice to Australian Investors

Intermediary authorisation

The issuer of this Prospectus is the Company. The Company and the Management Company do not hold an Australian Financial Services ("AFS") licence. Under section 911A(2)(b) of the Corporations Act 2001 (Cth) ("Corporations Act"), a financial product issuer is exempted from the need to hold an AFS licence to issue a financial product if it issues the financial product in accordance with an offer made by an appropriately authorised AFS licensee.

Schroder Investment Management Australia Limited (ACN 000 443 274) ("SIMAL") holds AFS licence number 226473 that authorises it to make offers to investors to arrange for the issue, variation or disposal of Shares and has entered into an intermediary authorisation arrangement in accordance with section 911A(2)(b) of the Corporations Act with the Management Company (the "Intermediary Arrangement"). Under the terms of the Intermediary Arrangement, SIMAL will arrange for the issue, variation or disposal (as applicable) of Shares by the Management Company. Accordingly, all offers to issue, vary or dispose of Shares in the Funds under this Prospectus are made by SIMAL in accordance with section 911A(2)(b) of the Corporations Act. The Management Company will only authorise SIMAL to make offers to arrange for the issue, variation or disposal of Shares by the Management Company under this Prospectus and the Management Company will only issue, vary or dispose of Shares in accordance with such offers if they are accepted.

SIMAL's functions should not be considered to be an endorsement of the offer to acquire, vary or dispose of Shares or a recommendation of the suitability of the Shares for any investor in the Funds. SIMAL does not guarantee the success or performance of the Funds or returns (if any) to be received by investors. SIMAL is not responsible for, and has not authorised or caused the issue of, this Prospectus, and has not been involved in the preparation of the Prospectus.

Disclaimer

This Prospectus is given to recipients on the basis that they are, and represent and warrant that they are, 'wholesale clients' as defined in section 761G of the Corporations Act (each such recipient being an "Exempt Investor"). If a recipient of this Prospectus is not an Exempt Investor, the recipient must not consider the contents of this Prospectus and return or destroy it immediately. Recipients of this Prospectus must not forward or circulate this Prospectus to any other person in Australia.

Neither the Company nor the Funds are registered as foreign companies or registered managed investment schemes in Australia and this Prospectus has not been lodged with the Australian Securities and Investments Commission ("ASIC") or registered under the laws or regulations of Australia. Accordingly, this Prospectus is not a prospectus, product disclosure statement or other disclosure document for the purposes of the Corporations Act and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. Neither ASIC nor any other similar authority in Australia has reviewed or in any way approved this Prospectus or the merits of acquiring interests in the Funds.

Any offer or invitation made in this Prospectus is only an offer or invitation to make offers where that offer or invitation does not require disclosure to investors under the Corporations Act. No application for Shares in the Funds made by an Exempt Investor following the receipt of this Prospectus will be considered unless the offer or invitation does not need disclosure to investors under the Corporations Act.

There are on-sale restrictions in Australia that may be applicable to Exempt Investors who acquire Shares in the Funds. The Shares in the Funds issued to Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the issue, except in circumstances where disclosure to investors under the Corporations Act would not be required pursuant to an exemption or where the offer is pursuant to a disclosure document which complies with the Corporations Act. Any person acquiring Shares in the Funds must observe such Australian on-sale restrictions.

This Prospectus contains general information only and does not constitute the provision of any financial product advice or a recommendation to invest in the Funds. The Management Company is not licensed to provide financial product advice under the Corporations Act. Before making an investment decision, Exempt Investors need to carefully consider whether the information in this Prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters. There is no cooling-off regime which applies in relation to the acquisition of Shares in the Funds in Australia.

Tax

Nothing in this Prospectus is or purports to be advice in respect of the taxation implications of acquiring, varying or disposing of Shares in Australia. It is the responsibility of each Exempt Investor to seek, and rely only upon, their own professional taxation advice, specific to their own circumstances prior to investing in the Funds.

Confidentiality

This Prospectus is confidential, and may not be copied, altered, forwarded or distributed to any other person. The disclosure and use of the information contained in this Prospectus may be restricted by law and is subject to the terms contained within.

By accessing this Prospectus, the recipient agrees not to reproduce, forward or otherwise provide access to this Prospectus to any other person. If you are not the intended recipient of this Prospectus, you must not disclose or use the information contained within.

2.2. Redemption and Switching of Shares

Redemption Procedure

Redemption instructions accepted by the Transfer Agent for any Dealing Day received before the Dealing Cut-off Time as specified in Appendix III and Appendix IV, or such other time at the Directors' discretion, will normally be executed at the relevant Net Asset Value per Share calculated on the Dealing Day (less any applicable redemption charge). Instructions accepted by the Transfer Agent after the Dealing Cut-off Time will normally be executed on the following Dealing Day.

In respect of the Funds with a Dealing Cut-off Time of 13.00 on the preceding Dealing Day, as specified in Appendix III and Appendix IV, redemption instructions received before 13.00 on the preceding Dealing Day will normally be executed

at the relevant Net Asset Value per Share calculated on the immediately following Dealing Day (less any applicable redemption charge). Redemption requests received after 13.00 on the preceding Dealing Day will normally be executed on the second following Dealing Day.

Execution of a redemption instruction can only be granted if the related registered holding level allows for it. In cases where dealing is suspended in a Fund from which a redemption has been requested, the processing of the redemption will be held over until the next Dealing Day where dealing is no longer suspended.

Instructions to redeem Shares may be given to the Transfer Agent by completing the form requesting redemption of Shares or by letter, facsimile transmission, or other means approved by the Transfer Agent where the account reference and full details of the redemption must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney.

Redemption Proceeds

Different settlement procedures may apply if instructions to redeem Shares are communicated via Distributors.

Redemption proceeds are normally paid by bank transfer or electronic transfer, within three Business Days from the relevant Dealing Day unless otherwise specified in Appendix III or Appendix IV and will be instructed to be made at no cost to the Shareholder, provided the Company is in receipt of all documents required. Any non-Dealing Days for a Fund falling within the settlement period are excluded from the calculation of the settlement date. If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. The Company, Management Company or Transfer Agent are not responsible for any delays or charges incurred at any receiving bank or settlement system nor are they responsible for delays in settlement which may occur due to the timeline for local processing of payments within some countries or by certain banks. Redemption proceeds will normally be paid in the currency of the relevant Share Class (for the avoidance of doubt, in respect of any BRL Hedged Share Class this would be the relevant Fund Currency (and not BRL)).

However, at the request of the Shareholder, a currency exchange service for redemptions is provided to the Shareholder by the Transfer Agent acting on behalf of the Management Company. Details of the charge applied to foreign exchange transactions, which is retained by the Management Company, are available upon request from the Management Company acting on behalf of the Company. The cost of currency conversion and other related expenses will be borne by the relevant Shareholder. This currency exchange service will not be available for certain Funds, as indicated in Appendix III or Appendix IV. For such Funds, redemption proceeds shall be paid in the currency of the relevant Share Class. Any non-Dealing Days for a Fund falling within the settlement period are excluded from the calculation of the settlement date.

If, in exceptional circumstances and for whatever reason, redemption proceeds cannot be paid within three Business Days (or otherwise specified in Appendix III or Appendix IV), from the relevant Dealing Day (for example, when the liquidity of the relevant Fund does not permit), payment will be made as soon as reasonably practicable thereafter (not exceeding, however, thirty Business Days) at the Net Asset Value per Share calculated on the relevant Dealing Day.

Redemptions in Kind

The Directors may from time to time permit redemptions in kind. Any such redemption in kind will be valued in accordance with the requirements of Luxembourg law. In case of a redemption in kind, Shareholders will have to bear costs incurred by the redemption in kind (mainly costs resulting from drawing-up of the independent auditor's report) unless the Company considers that the redemption in kind is in its own interest or made to protect its own interests. Requests for redemptions in kind may only be accepted if the total Net Asset Value of the Shares to be redeemed in a Fund is at least EUR 10,000,000 or an equivalent amount in another currency, unless otherwise determined from time to time by the Directors.

Switching Procedure

A switch transaction is a transaction by which the holding of a Shareholder into a Share Class (the "Original Class") is converted into another Share Class (the "New Class") either within the same Fund or in different Funds within the Company.

Acceptance by the Transfer Agent of switching instructions will be subject to the availability of the New Class and to the compliance with any eligibility requirements and/or other specific conditions attached to the New Class (such as minimum subscription and holding amounts). The switching procedure is processed as a redemption from the Original Class followed by a subscription into the New Class.

If the Original and New Classes involved in a switch transaction have the same Dealing Cut-off Time and Dealing Days, switching instructions accepted by the Transfer Agent before the Dealing Cut-off Time as specified in Appendix III and Appendix IV, or such other time at the Directors' discretion, will normally be executed on the Dealing Day associated with the receipt of the instruction and will normally be executed based on the relevant Net Asset Values per Share of both Share Classes calculated for that Dealing Day (less any applicable switching charge).

In respect of the Funds with Dealing Cut-off Time at 13.00 on the preceding Dealing Day, as specified in Appendix III and Appendix IV, switching instructions must be received before 13.00 in order to be dealt with at the relevant Net Asset Value per Share the following Dealing Day. Switching instructions received after 13.00 will be dealt with on the second following Dealing Day. Similarly if switching is requested into those Funds, the prior notice will be taken into account for the processing of the Share Class subscription.

However, the following rules will apply if the settlement period in the New Class is shorter than that of the Original Class and/or if the Original and New Classes are subject to different Dealing Days or Dealing Cut-off Times, or different day or time of the Net Asset Value per Share availability; or if the Original and New Classes are subject to different Fund holidays or different currency holidays during the settlement cycle:

(A) the redemption will be dealt with on the Dealing Day relating to the receipt of the switching instruction with the Net Asset Value per Share of the Original Class calculated for that Dealing Day, and

(B) the subscription will be executed at the next earliest Dealing Day applicable for the New Class with the Net Asset Value per Share of the New Class calculated for that Dealing Day, and

(C) the subscription may be further deferred to a later Dealing Day so that the settlement date for the subscription will always match or follow the settlement date for the redemption (if possible both settlement periods will be matched), and

(D) where the redemption is settled before the subscription, the redemption proceeds will remain on the Company's collection account and interest accrued will be for the benefit of the Company.

In accordance with the Law, the redemption of Shares shall be prohibited:

(i) during the period where the Company has no depositary; and

(ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

In cases where dealing is suspended in a Fund from or to which a switch has been requested, the processing of the switch will be held over until the next Dealing Day where dealings are no longer suspended. The switching procedures described above will continue to apply.

Instructions to switch Shares may be given to the Transfer Agent by completing the switch form or by letter, facsimile transmission or other means approved by the Transfer Agent where the account reference and the number of Shares to be switched between named Share Classes and Funds must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney form acceptable to the Management Company is available on request.

Instructions to switch Shares between Share Classes denominated in different currencies will be accepted. A currency exchange service for such switches is provided by the Transfer Agent acting on behalf of the Company. Details of the charge applied to foreign exchange transactions, which is retained by the Management Company, are available upon request from the Management Company acting on behalf of the Company. The cost of currency conversion and other related expenses will be borne by the relevant Investor. This currency exchange service will not be available for certain Funds, as indicated in Appendix III and Appendix IV.

The Directors may, at their discretion, allow certain selected Distributors to make a charge for switching which shall not exceed 1% of the value of the Share being requested to be switched.

The same principles may apply if Investors instruct switches between Investment Funds belonging to different legal structures within Schroders' fund ranges.

Shareholders should seek advice from their local tax advisers to be informed on the local tax consequences of such transactions.

General

Different redemption and switching procedures may apply if instructions to switch or redeem Shares are communicated via Distributors.

All instructions to redeem or switch Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

Instructions to make payments to third parties will only be accepted at the Management Company's discretion.

The value of Shares held by any Shareholder in any one Share Class after any switch or redemption should generally exceed the minimum investment set forth under “Share Classes” in Appendix III and Appendix IV for each Share Class.

Unless waived by the Management Company, if, as a result of any switch or redemption request, the amount invested by any Shareholder in a Share Class in any one Fund falls below the minimum holding for that Share Class, it will be treated as an instruction to redeem or switch, as appropriate, the Shareholder’s total holding in the relevant Share Class.

The Directors may permit, if they deem it appropriate, different Dealing Cut-off Times to be determined in justified circumstances, such as distribution to Investors in jurisdictions with a different time zone. Such different Dealing Cut-off Times may either be specifically agreed upon with Distributors or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned. In such circumstances, the applicable Dealing Cut-off Time applied to Shareholders must always precede the Dealing Cut-off Time referred to in Appendix III and Appendix IV.

Confirmations of transactions will normally be dispatched by the Transfer Agent on the next Business Day after Shares are switched or redeemed. Shareholders should promptly check these confirmations to ensure that they are correct in every detail.

Switching or redemption requests will be considered binding and irrevocable by the Management Company and will, at the discretion of the Management Company, only be executed where the relevant Shares have been duly issued.

Instructions to make payments to third parties will only be accepted at the Management Company’s discretion.

2.3. Restrictions on Subscriptions and Switches into certain Funds or Share Classes

A Fund or Share Class may be closed to new subscriptions or switches in (but not to redemptions or switches out) if, in the opinion of the Management Company, the closure is necessary to protect the interests of existing Shareholders or to enable the efficient management of the Fund or Share Class. Without limiting the circumstances where the closure may be appropriate, the circumstances could be where the Fund or a Share Class has reached a size such that the capacity of the market has been reached or that it becomes difficult to manage in an optimal manner, and/or where to permit further inflows would be detrimental to the performance of the Fund or the Share Class. Notwithstanding the above, the Management Company may, at its discretion, allow the continuation of subscriptions from regular savings schemes on the basis that these types of flows present no challenge with respect to capacity. Any Fund or Share Class may be closed to new subscriptions or switches in without notice to Shareholders. Once closed, a Fund, or Share Class,

will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail. A Fund or Share Class may be re-opened to new subscriptions or switches in without notice to Shareholders.

Investors should contact the Management Company or check the webpage https://www.schroders.com for the current status of the relevant Funds or Share Classes and for subscription opportunities that may occur (if any).

Capacity Restricted Dealing ("CRD") may be implemented for Funds (or Share Classes) which are closed to new subscriptions or switches in. Any Investor who wants to invest in a Fund (or a Share Class) for which CRD is in effect (except as stated below) must submit an expression of interest ("EOI") form to the Management Company, which can be found on the webpage https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/capacity-restricted-dealing/. Investors who have submitted a valid EOI form will be placed on a waiting list and contacted by the Management Company should capacity become available. Investors will be contacted by the Management Company in the order in which EOIs were accepted. However, where capacity is offered to the Fund for a limited time period, only Investors who are able to subscribe within the relevant timeframe, as specified in their EOI, will be contacted in the order in which EOIs were accepted. The EOI form contains a maximum subscription limit which Investors may not exceed, a minimum subscription amount and a timeframe required by Investors to complete the subscription process.

The Management Company reserves the right to reject or scale back subscriptions if the total subscription amount is in excess of the limit stated in the terms and conditions of the EOI form. If an Investor does not wish to invest the amount stated in the EOI or is not able to invest within the specified timeframe, the Management Company reserves the right to reject the subscription, extend the period for subscription or to contact other investor(s) in the order in which EOIs were accepted. Investors who have not submitted an EOI form will not (while CRD remains in effect) be permitted to invest in the Fund or Share Class should capacity become available. Investors should contact the Management Company or check the webpage http://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/capacity-restricted-dealing for more detail on how the CRD facility will operate and for the list of closed Funds or Share Classes for which CRD is in effect. The normal eligibility requirements will apply to any applications made under the CRD process.

The Management Company may accept a subscription in a Fund (or any Share Class) which is closed to new subscriptions or switches in, and in relation to which CRD may or may not be in effect, where (i) the Investment Manager of such Fund (or Share Class) informs the Management Company that investment capacity has become available, or (ii) where such applicant gave the Management Company a commitment to invest in the Fund (or Share Class) prior to CRD coming into effect in respect of that Fund (or Share Class). Such subscriptions may be made by any investor, whether or not they are also on the CRD waiting list referred to above.

2.4. Calculation of Net Asset Value

Calculation of the Net Asset Value per Share

(A) The Net Asset Value per Share of each Share Class will be calculated on each Dealing Day in the currency of the relevant Share Class (for the avoidance of doubt, in respect of any BRL Hedged Share Class this would be the relevant Fund Currency (and not BRL)). It will be calculated by dividing the Net Asset Value attributable to each Share Class, being the proportionate value of its assets less its liabilities, by the number of Shares of such Share Class then in issue. The resulting sum shall be rounded to the nearest four decimal places.

(B) The Directors reserve the right to allow the Net Asset Value per Share of each Share Class to be calculated more frequently than specified in Appendix III and Appendix IV, or to otherwise alter dealing arrangements on a permanent or a temporary basis, for example, where the Directors consider that a material change to the market value of the investments in one or more Funds so demands. The Prospectus will be amended, following any such permanent alteration, and Shareholders will be informed accordingly.

(C) In valuing total assets, the following rules will apply unless otherwise provided for in Appendix IV in respect of a Money Market Fund:

(1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.

(2) The value of such securities, derivatives and assets will be determined on the basis of the last available price on the stock exchange or any other Regulated Market as aforesaid on which these securities or assets are traded or admitted for trading. Where such securities or other assets are quoted or dealt in one or by more than one stock exchange or any other Regulated Market, the Directors shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provisions of prices of securities or assets.

(3) If a security is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities so traded or admitted the last available price of which does not reflect their true value, the Directors are required to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith.

(4) The derivatives which are not listed on any official stock exchange or traded on any other recognised market are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative. The reference to fair value shall be understood as a reference to the amount for which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties in an arm's length transaction. The reference to reliable and verifiable valuation shall be understood as a reference to a valuation, which does not rely only on market quotations of the counterparty and which fulfils the following criteria:

(I) The basis of the valuation is either a reliable up-to-date market value of the instrument, or, if such value is not available, a pricing model using an adequate, recognised methodology.

(II) Verification of the valuation is carried out by one of the following:

(a) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that the Company is able to check it;

(b) a unit within the Company which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.

(5) Units or shares in UCIs shall be valued on the basis of their last available Net Asset Value as reported by such undertaking.

(6) Liquid assets and Money Market Instruments will usually be valued on a Mark-to-Market basis.

(7) If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith on either a permanent or temporary basis (as appropriate) and in accordance with generally accepted valuation principles and procedures.

(8) Any assets or liabilities in currencies other than the Fund Currency (as defined in Appendix III and Appendix IV) will be converted using the relevant spot rate quoted by a bank or other recognised financial institution.

(D) If on any Dealing Day the aggregate transactions in Shares of a Fund result in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Fund (relating to the cost of market dealing for that Fund), the Net Asset Value of the Fund will be adjusted, to the extent allowed by applicable law, by an amount which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the Fund invests. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease. Please see "Dilution" and "Dilution Adjustment" below for more details.

Dilution

The Funds are single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of their underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Fund. This is known as "dilution". In order to counter this and to protect Shareholders' interests, the Management Company will apply "swing pricing" as part of its daily valuation policy to the extent allowed by applicable law. This will mean that in certain circumstances the Management Company will make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs to be incurred by the Funds in liquidating or purchasing investments on occasions when these are deemed to be significant. The calculation of such adjustments may take into account any provision for the impact of estimated market spreads (bid/offer spread of underlying securities), duties (for example transaction taxes) and charges (for example settlement costs or dealing commission) and other dealing costs related to the acquisition or disposal of investments.

Dilution Adjustment

In the usual course of business, the application of a dilution adjustment will be triggered mechanically and on a consistent basis.

Schroders' Group Pricing Committee provides recommendations to the Management Company on the appropriate level of dilution adjustment and level of threshold that should trigger the application of swing pricing in a Fund. The Management Company remains ultimately responsible for such pricing arrangements. The need to make a dilution adjustment will depend upon the net value of subscriptions, switches and redemptions received by a Fund for each Dealing Day. The Management Company therefore reserves the right to make a dilution adjustment where a Fund experiences a net cash movement which exceeds a certain threshold.

The Management Company may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of Shareholders to do so.

The dilution adjustment is applied to all subscriptions, redemptions and/or switches in and out of a Fund on any given Dealing Day once the total level of such dealing in the Fund on that Dealing Day has exceeded the applicable threshold referred to above. Where a dilution adjustment is made, it will typically increase the Net Asset Value per Share when there are net inflows into the Fund and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in the Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share Class identically.

As dilution is related to the inflows and outflows of money from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. It is also not possible to accurately predict how frequently the Management Company will need to make such dilution adjustments.

Swing pricing may vary from Fund to Fund and in normal market conditions is not expected to exceed 2% of the unadjusted Net Asset Value per Share of the relevant Fund on any Dealing Day. However, under unusual or exceptional market conditions (such as significant market volatility, market disruption or significant economic contraction, a terrorist attack or war (or other hostilities), a pandemic or other health crisis, or a natural disaster), the Management Company may decide, on a temporary basis, to adjust the Net Asset Value of a Fund by more than 2% when such a decision is justified as being in the best interests of the shareholders. Any such decision to adjust the Net Asset Value by more than 2% will be published on the following webpage https://www.schroders.com. The Company currently applies dilution to all of its Funds.

General

The Directors are authorised, to apply other appropriate valuation principles to the assets of the Funds and/or the assets of a given Share Class if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

2.5. Suspensions or Deferrals

(A) If the aggregate value of switch or redemption instructions on any one Dealing Day is more than 10% of the total value of Shares in issue of any Fund, the Directors may declare that the redemption of part or all Shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next Dealing Day. Such deferred instructions will be valued at the Net Asset Value per Share prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Transfer Agent.

(B) The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of a Fund are invested or in exceptional circumstances where the liquidity of a Fund is not sufficient to meet the redemption requests.

(C) The Company may suspend or defer the calculation of the Net Asset Value per Share of any Share Class in any Fund and the issue and redemption of any Shares in such Fund, as well as the right to switch Shares of any Share Class in any Fund into Shares of a different Share Class of the same Fund or any other Fund:

(1) during any period when any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Company's investments of the relevant Fund for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

(2) during any period when the determination of the Net Asset Value per Share of and/or the redemptions in the underlying Investment Funds representing a material part of the assets of the relevant Fund is suspended; or

(3) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Fund by the Company is impracticable; or

(4) during any breakdown or restriction in the means of communication normally employed in determining the price or value of any of the Company's investments or the current prices or values on any market or stock exchange; or

(5) if for any reason the prices of any investment owned by a Fund cannot be reasonably, promptly or accurately determined; or

(6) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or

(7) if the Company or a Fund is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Company or the Fund is proposed; or

(8) if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Company attributable to a particular Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or

(9) during any other circumstance or circumstances where a failure to do so might result in the Company or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment, which the Company or its Shareholders might so otherwise have suffered; or

(10) during any period where circumstances exist that would justify the suspension for the protection of Shareholders in accordance with the Law.

(D) The suspension of the calculation of the Net Asset Value per Share of any Fund or Share Class shall not affect the valuation of other Funds or Share Classes, unless these Funds or Share Classes are also affected.

(E) During a period of suspension or deferral, a Shareholder may withdraw his request in respect of any Shares not redeemed or switched, by notice in writing received by the Transfer Agent before the end of such period.

(F) Moreover, in accordance with the provisions on mergers of the Law, the Company may temporarily suspend the subscription, the redemption or the repurchase of its Shares, provided that any such suspension is justified for the protection of the Shareholders.

Shareholders will be informed of any suspension or deferral as appropriate.

Market Timing and Frequent Trading Policy

The Company does not knowingly allow dealing activity which is associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, switches between or redemptions of Shares from the various Share Classes (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, switches between or redemptions of Shares from the various Share Classes (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Fund's other Shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to implement either one, or both, of the following measures:

- The Management Company may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors and/or Management Company reserve the right to cause the Transfer Agent to reject any application for switching and/or subscription of Shares from Investors whom the former considers market timers or frequent traders.

- If a Fund is primarily invested in markets which are closed for business at the time the Fund is valued, the Directors may, during periods of market volatility, and by derogation from the provisions above, under "Calculation of Net Asset Value", cause the Management Company to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Fund's investments at the point of valuation.

The Company uses an independent agent to provide the fair valuation analysis. The adjustment of the Net Asset Value per Share of a Fund so as to reflect the fair value of the portfolio as at the point of valuation is an automated process. Adjustment factors are applied daily at an individual asset level to independently sourced market prices. The adjustment process covers all equity markets that are closed at the relevant Valuation Point and all Funds that have exposure to these markets are fair value priced. In applying fair value pricing, the Company is seeking to ensure that consistent prices are applied across all relevant Funds. Fixed income and other asset classes are currently not subject to fair value pricing.

Where an adjustment is made as per the foregoing, it will be applied consistently to all Share Classes in the same Fund.

Section 3

3. General Information

3.1. Administration Details, Charges and Expenses

Directors

Each of the Directors is entitled to remuneration for his services at a rate determined by the Company in the general meeting from time to time. In addition, each Director may be paid reasonable expenses incurred while attending meetings of the Board of Directors or general meetings of the Company. Directors who are also directors/employees of the Management Company and/or any Schroders' company will waive their Directors' remuneration. External Directors will be remunerated for their services.

Management Company

The Directors have appointed Schroder Investment Management (Europe) S.A. as its management company to perform investment management, administration and marketing functions as described in Annex 2 of the Law.

The Management Company has been permitted by the Company to delegate certain administrative, distribution and management functions to specialised service providers. In that context, the Management Company has delegated certain administration functions to J.P. Morgan SE, Luxembourg Branch, HSBC Continental Europe, Luxembourg, and HSBC Bank Plc.

In particular, HSBC Continental Europe, Luxembourg will be in charge of the registrar function as further described under point "Transfer Agent, Registrar and Principal Paying Agent" and of the client communication function. J.P. Morgan SE, Luxembourg Branch will be in charge of the calculation of the Net Asset Value of the Funds and of the accounting function.

The Management Company may delegate certain marketing functions to entities which form part of the Schroders group. The Management Company has also delegated certain management functions to the Investment Managers as more fully described below.

The Management Company will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give at any time further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company is entitled to receive the customary charges for its services as administration agent, coordinator, domiciliary agent, global distributor, principal paying agent and registrar and transfer agent. These fees accrue on each Dealing Day at an annual rate of up to 0.3% by reference to the Net Asset Value of the relevant Fund and are paid monthly in arrears. As these fees are a fixed percentage of the Net Asset Value of the Fund it will not vary with the cost of providing the relevant services. As such the Management Company could make a profit (or loss) on the provision of those services, which will fluctuate over time on a Fund by Fund basis. These fees are subject from time to time to review by the Management Company and the Company. The Management Company is also entitled to reimbursement of all reasonable out-of-pocket expenses properly incurred in carrying out its duties. The Management Company may at its discretion part pay or pay in full any costs or expenses incurred by the Company with a view to limiting the overall costs and expenses borne by Investors in the Company, or a particular Fund or Share Class.

Schroder Investment Management (Europe) S.A. was incorporated as a "Société Anonyme" in Luxembourg on 23 August 1991 and has an issued and fully paid up share capital of EUR 14,628,830.98. Schroder Investment Management (Europe) S.A. has been authorised as a management company under chapter 15 of the Law and, as such, provides collective portfolio management services to UCIs.

The Management Company manages other undertakings for collective investment, the list of which is available at the registered office of the Management Company upon request.

The directors of the Management Company are:

- Peter Hilborne (Chairman), Chief Operating Officer for Global Operating Platform, Schroder Investment Management Limited.
- Finbarr Browne, Global Head of Fund Platform and Conducting Officer, Schroder Investment Management (Europe) S.A.
- Vanessa Grueneklee, Global Head of Client Service Delivery and Conducting Officer, Schroder Investment Management (Europe) S.A.
- Garth Taljard, Global Head of Investment Product and Multi-Asset Management, Schroder Investment Management Limited.
- Mike Sommer, Global Head of Risk for Public Markets and Enterprise Risk Management, Schroder Investment Management Limited
- Edward Mitchell, Head of Client Group Strategy Execution & Delivery, Schroder Investment Management Limited.
- Marcel Vogt, COO Private Debt and Credit Alternatives, Schroder Investment Management (Switzerland) AG

The Management Company has 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 the risk profiles of the Management Company or the Company, that:

- are consistent with and promote sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profiles and rules of the Company or with its Articles;
- are in line with the business strategy, objective, values and interests of the Management Company, the Company and its Investors and includes measures to avoid conflicts of interest;
- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the Investors of the Fund in order to

ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks; and

– appropriately balance fixed and variable components of total remuneration.

Schroders has an established Remuneration Committee consisting of independent non-executive directors of Schroders Limited. The Remuneration Committee met eight times during 2025. Their responsibilities include recommending to the board of Schroders Limited 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 Remuneration Committee and their use of advisors are further detailed in the Remuneration Report and the Remuneration Committee's Terms of Reference (both available on the Schroders group webpage).

The Management Company delegates responsibility for determining remuneration policy to the Remuneration Committee of Schroders Limited. The Management Company defines the objectives of each UCITS fund it manages and monitors adherence to those objectives and conflict management. The Remuneration Committee receives reports from the Management Company 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 the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the Remuneration Committee, are available at https://www.schroders.com/en/global/individual/corporate-transparency/disclosures/remuneration-disclosures/. A paper copy is available free of charge upon request at the registered office of the Management Company.

Transfer Agent, Registrar and Principal Paying Agent

The Management Company has delegated the transfer agency, registrar and principal paying agent functions to HSBC Continental Europe, Luxembourg (the Transfer Agent). Fees, expenses and out-of-pocket expenses relating to the services performed by the Transfer Agent are borne by the Management Company.

Investment Managers

The Investment Managers may on a discretionary basis acquire and dispose of securities of the Funds for which they have been appointed as Investment Manager, subject to and in accordance with instructions received from the Management Company and/or the Company from time to time, and in accordance with stated investment objectives and restrictions. The Investment Managers are entitled to receive as remuneration for their services investment management fees (referred to as an Annual Management Charge), whose percentage is disclosed for each Fund in Appendix III and Appendix IV. Such fees are calculated and accrued on each Dealing Day by reference to the Net Asset Values of the Funds and paid monthly in arrears. In the performance of their duties, Investment Managers may seek, at their own expense, advice from investment advisers.

The Management Company (specifically Schroder Investment Management (Europe) S.A. – German Branch) acts as the Investment Manager in respect of certain Funds as indicated in Appendix III and Appendix IV and may on a discretionary basis acquire and dispose of securities of the Fund in accordance with the stated investment objective and restrictions. In this capacity, the Management Company is entitled to receive as remuneration for their services investment management fees (referred to as an Annual Management Charge) for these Funds, whose percentage is disclosed in Appendix III and Appendix IV. Such fees are calculated and accrued on each Dealing Day by reference to the Net Asset Value of the Fund, or the Net Asset Value per Share as may be appropriate and paid monthly in arrears. All references to the Investment Manager in this Prospectus therefore includes the Management Company in respect of these Funds only and such references shall be construed accordingly unless the context otherwise requires.

Any investment advisers will be disclosed at https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/sub-delegations/.

Sub-Investment Managers

Each Investment Manager may appoint one or more other Schroders group companies, at its own expense and responsibility, to manage all or part of the assets of a Fund or to provide recommendations or advice on any part of the investment portfolio (each a "Sub-Investment Manager"). Any such appointment of a Sub-Investment Manager may also be subject to approval and/or registration with local regulators.

Any Sub-Investment Manager appointed by an Investment Manager in accordance with the preceding paragraph may, in turn, appoint another Schroders group entity to manage all or part of a Fund's assets, subject to the prior written consent of the Investment Manager.

The Schroders group entities which may act as Sub-Investment Managers are those eligible to act as Investment Managers and are listed at the beginning of this Prospectus.

The list of Investment Managers and Sub-Investment Managers for each Fund is available at www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/sub-delegations/ and www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/sub-delegations/.

The Sub-Investment Managers provide their investment management services (i) under the supervision of the Management Company and the Investment Manager, (ii) in accordance with instructions received from and investment allocation criteria laid down by the Management Company and/or the Investment Manager from time to time, and (iii) in compliance with the investment objectives and policies of the relevant Fund.

Redemption charge

The Company may introduce a redemption charge based on the Net Asset Value per Share of the relevant Share Classes of the relevant Fund in favour of the Fund. Information on the redemption charge is disclosed separately in the Fund details.

Marketing of the Shares and terms applying to Distributors

The Management Company shall perform its marketing functions by appointing and, as the case may be, terminating, coordinating among and compensating third party

distributors of good repute in the countries where the Shares of the Funds may be distributed or privately placed. Third party distributors shall be compensated for their distribution, shareholder servicing and expenses. Third party distributors may be paid a portion or all of the initial charge, Annual Distribution Charge, shareholder servicing fee, and Annual Management Charge.

Distributors may only market the Company's Shares if the Management Company has authorised them to do so.

Distributors shall abide by and enforce all the terms of this Prospectus including, where applicable, the terms of any mandatory provisions of Luxembourg laws and regulations relating to the distribution of the Shares. Distributors shall also abide by the terms of any laws and regulations applicable to them in the country where their activity takes place, including, in particular, any relevant requirements to identify and know their clients.

Distributors must not act in any way that would be damaging or onerous on the Company in particular by submitting the Company to regulatory, fiscal or reporting information it would otherwise not have been subject to. Distributors must not hold themselves out as representing the Company.

In certain countries, Investors may be charged additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

Regular savings plans may be available in certain countries. If a savings plan is terminated before the agreed final date, the amount of the initial charge paid may be greater than it would have been in the case of a standard subscription. Further details can be obtained from the local distributor.

Structured Products

Investment in the Shares for the purpose of creating a structured product replicating the performance of the Funds is only permitted after entering into a specific agreement to this effect with the Management Company. In the absence of such an agreement, the Management Company can refuse an investment into the Shares if this is related to a structured product and deemed by the Management Company to potentially conflict with the interest of other Shareholders.

Depositary

J.P. Morgan SE, Luxembourg Branch has been appointed by the Company as the depositary bank of the Company in charge of (i) the safekeeping of the assets of the Company, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as may be agreed in writing from time to time between the Company and the Depositary.

Under an administration agreement, J.P. Morgan SE, acting through its Luxembourg Branch has been appointed as Administrator of the Company, to administer the computation of the Net Asset Value of the Funds, and to perform other general administrative functions. For its services, the administrator receives an annual fee, payable monthly, which is part of the administration charge as described under the Section 3.1 "Administration Details, Charges and Expenses".

J.P. Morgan SE is a European Company (Societas Europaea) organized under the laws of Germany, having its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank; J.P. Morgan SE, Luxembourg Branch is authorized by the CSSF to act as depositary and fund administrator and is licensed to engage in all banking operations under the laws of the Grand Duchy of Luxembourg. The principal activities of J.P. Morgan SE, Luxembourg Branch are custodial and investment administration services.

The Depositary is entrusted with the safekeeping of the Company's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through every third-party custodian/sub-custodian providing, in principle, the same guarantees as the Depositary itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the Luxembourg Law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depositary also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Company has been booked in the cash account in the name of (i) the Company, (ii) the Management Company on behalf of the Company or (iii) the Depositary on behalf of the Company.

In addition, the Depositary shall:

(A) ensure that the sale, issue, repurchase, redemption and cancellation of the Shares of the Company are carried out in accordance with Luxembourg law and the Articles;

(B) ensure that the value of the Shares of the Company is calculated in accordance with Luxembourg law and the Articles;

(C) carry out the instructions of the Company, unless they conflict with Luxembourg law or the Articles;

(D) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;

(E) ensure that the Company's income is applied in accordance with Luxembourg law and the Articles.

The Depositary regularly provides the Company with a complete inventory of all assets of the Company.

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

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

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

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

As part of the normal course of global custody business, the Depositary 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 Depositary to its safekeeping delegates or (ii) generally between the interests of the Depositary and those of the Company, its Shareholders or the Investment Manager; for example, where an affiliate of the Depositary 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, for instance 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 Depositary will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS V Directive.

The Depositary follows a third party oversight process in the selection and on-going monitoring of third party delegates. The Depositary's selection and on-going monitoring criteria include inter-alia a review of financial standing of the provider as well as performance against defined standards of services and local legal advice on protection of assets on insolvency and other relevant issues. The Depositary maintains a governance framework via regular meetings and management information systems to ensure adherence to the Depositary's policies and procedures.

A list of the third party delegates appointed by the Depositary pursuant to the Depositary and Custodian Agreement is available on https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/. Up-to-date information on the identity of the Depositary, its duties, of conflicts of interest, of the delegated safekeeping functions and of any conflicts of interest that may arise from such a delegation (or, if applicable, sub-delegation) will be made available to Investors on request.

The Depositary may receive a fee in relation to these fiduciary services, which is set at a rate of up to 0.005% per annum of the Net Asset Value of the Company.

The Depositary will receive from the Company such fees and commissions as are in accordance with usual practice in Luxembourg as well as accounting fees covering the Company's accounting. The custody safe keeping services and transaction fees are paid on a monthly basis and calculated and accrued on each Business Day. The percentage rate of the safekeeping fee and the level of transaction fees vary, according to the country in which the relevant activities take place, up to a maximum of 0.3% per annum and USD 75 per transaction respectively.

Fees relating to core fund accounting and valuation services are calculated and accrued on each Business Day at an annual rate of up to 0.0083% of the Net Asset Value of a Fund. Additional fees may be due from each Fund for additional services such as non-standard valuations, additional accounting services and for tax reporting services.

Fiduciary fees, custody safekeeping and transaction fees, together with fund accounting and valuation fees, may be subject to review by the Depositary and the Company from time to time. In addition, the Depositary is entitled to any reasonable expenses properly incurred in carrying out its duties.

The amounts paid to the Depositary will be shown in the Company's financial statements.

The Depositary has also been appointed to act as listing agent for the Company in relation to the listing of its Shares on the Luxembourg Stock Exchange and will receive customary fees for the performance of its duties as such.

Other Charges and Expenses

The Company will pay all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses, settlement costs and bank charges and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Company may be marketed in different countries; expenses incurred in the issue, switch and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation. In certain circumstances expenses payable by the Company may also comprise investment research fees.

In addition to standard banking and brokerage charges paid by the Company, Schroders' companies providing services to the Company may receive payment for these services. Investment Managers may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager, including the Company, and where the Investment Manager is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Company. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice.

3.2. Company Information

(A) The Company is an umbrella structured open-ended investment company with limited liability, organised as a "société anonyme" and qualifies as a SICAV under Part I of the Law. The Company was incorporated on 7 February 1997 and its Articles were published in the Mémorial on 11 March 1997. The Articles were last amended on 11 October 2024. The Company is registered with the Luxembourg register of commerce and companies under number B.58066, where the Articles have been filed and are available for inspection. The Company exists for an indefinite period.

(B) The minimum capital of the Company required by Luxembourg law is EUR 1,250,000. The share capital of the Company is represented by fully paid Shares of no par value and is at any time equal to its net asset value. Should the capital of the Company fall below two thirds of the minimum capital, an extraordinary general

meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must be taken by the simple majority of the votes of the Shareholders present or represented at the meeting. Where the share capital falls below one quarter of the minimum capital, the Directors must convene an extraordinary general meeting of Shareholders to decide upon the liquidation of the Company. At that meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the votes cast of the Shares present or represented.

(C) The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into:

(1) Fund Services Agreement between the Company and Schroder Investment Management (Europe) S.A., under which the Company appoints Schroder Investment Management (Europe) S.A. as its Management Company;

(2) Depositary and Custodian agreement between the Company and J.P. Morgan SE, Luxembourg Branch.

(D) The material contracts listed above may be amended from time to time by agreement between the parties thereto.

(E) In relation to the Depositary and Custodian Agreement listed above:

(1) The Depositary or the Company may terminate the Depositary and Custodian Agreement at any time upon sixty (60) calendar days' written notice (or earlier in case of certain breaches of the Depositary and Custodian Agreement) provided that the Depositary and Custodian Agreement shall not terminate until a replacement depositary is appointed.

(2) Up-to-date information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary, the list of third-party delegates and any conflicts of interest that may arise from such a delegation will be made available to Investors on request at the Company's registered office.

(3) The Articles are governed by, and construed in accordance with, the laws currently in force in Luxembourg. The application form is expressed to be governed by, and construed in accordance with, the laws currently in force in Luxembourg, and is subject to the jurisdiction of the courts of the Grand-Duchy of Luxembourg.

(4) There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Company, the rules of the Brussels I Regulation (regarding judgments from EU member states) or the rules of the Lugano Convention or of the private international law in Luxembourg (regarding judgments from non-EU member states) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Documents of the Company

Copies of the Articles, Prospectus, Key Information Documents and financial reports may be obtained free of charge and upon request, from the registered office of the Company. The material contracts referred to above are available for inspection during normal business hours, at the registered office of the Company.

Historical Performance of the Funds

Past performance information for each Fund in operation for more than one financial year of the Company is available from the registered office of the Company and on the webpage https://www.schroders.com. Past performance information is also available in the Fund fact sheets found on the webpage https://www.schroders.com and upon request from the registered office of the Company.

Shareholder Notifications

Relevant notifications or other communications to Shareholders concerning their investment in the Company may be posted on the webpage https://www.schroders.com. In addition, and where required by Luxembourg law or the CSSF, Shareholders will also be notified in writing or in such other manner as prescribed under Luxembourg law. In particular, Shareholders should refer to 3.5 Meetings and Reports of this section.

Queries and Complaints

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Compliance Officer, Schroder Investment Management (Europe) S.A., 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg.

3.3. Dividends

Dividend Policy

It is intended that the Company will distribute dividends to holders of Distribution Shares in the form of cash in the relevant Share Class Currency (for the avoidance of doubt, in respect of any BRL Hedged Share Class this would be the relevant Fund Currency (and not BRL)). Dividends may also be paid in alternative currencies upon request. Where no payment instruction is provided via the application form by a holder of Distribution Shares, dividends will be automatically reinvested by the Company in further Shares of the same Share Class. Shareholders may instead elect to receive dividends in the form of cash in the relevant Share Class currency. However, dividends will not be distributed in cash if their amount is below EUR 50 or its equivalent in another currency. Such amounts will automatically be reinvested in new Shares of the same Share Class.

The Company offers different types of Distribution Share Classes as explained in more detail below. Distribution Share Classes may differ in terms of their distribution frequency and in terms of the basis for calculating the dividend.

Distribution Frequency

Dividends will either be declared as annual dividends by the annual general meeting of Shareholders or may be paid by the Fund more frequently as deemed appropriate by the Directors.

Dividend Calculation

Distribution Share Classes based on Investment Income Before Expenses

Dividends may be paid out of capital and further reduce the relevant Fund's Net Asset Value. Dividends paid out of capital could be taxed as income in certain jurisdictions.

The general policy for Distribution Share Classes is to distribute dividends based on income for the period before deduction of expenses. The Directors will periodically review these Distribution Share Classes and reserve the right to make changes if they deem it is appropriate to declare a lower dividend. The Directors may also determine if and to what extent dividends may include distributions from both realised and unrealised capital gains as well as from capital, within the limits set up by Luxembourg law. Distributions from capital may include a premium when the interest rate of a currency hedged Share Class is higher than the Fund's base currency interest rate. Consequently, when the interest rate of a currency hedged Share Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's Investment Objective or Investment Policy.

Distribution Share Classes based on Investment Income After Expenses

The Company may also offer Distribution Share Classes where the dividend is based upon investment income for the period after deduction of expenses. The Directors may also determine if and to what extent dividends may include distributions from both realised and unrealised capital gains within the limits set up by Luxembourg law.

Distribution Share Classes with Fixed Dividends

Dividends may be paid out of capital and further reduce the relevant Fund's Net Asset Value. Dividends paid out of capital could be taxed as income in certain jurisdictions.

The Company may also offer other distribution Share Classes where the dividend is based on a fixed amount or fixed percentage of the Net Asset Value per Share. The Directors or their authorised delegate will periodically review fixed distribution Share Classes and reserve the right to make changes, for example if the investment income after expenses is higher than the target fixed distribution the Directors or their authorised delegate may declare the higher amount to be distributed. Equally the Directors or their authorised delegate may deem it is appropriate to declare a dividend lower than the target fixed distribution.

Dividend Calendar

A dividend calendar including details on the distribution frequency and the dividend calculation basis for all available Share Classes can be requested from the Management Company and is available on the webpage https://www.schroders.com

Dividends to be reinvested will be paid to the Management Company who will reinvest the money on behalf of the Shareholders in additional Shares of the same Share Class. Such Shares will be issued on the payment date at the next available Net Asset Value per Share of the relevant Share Class in non-certificated form. Fractional entitlements to registered Shares will be recognised to two decimal places (unless otherwise agreed with the Management Company).

Income equalisation arrangements are applied in the case of all distributing Share Classes. These arrangements are intended to ensure that the income per Share which is distributed in respect of a Distribution Period is not affected by changes in the number of Shares in issue during that period.

3.4. Taxation

The following is based on the Directors' understanding of the law and practice in force at the date of this document and applies to Investors acquiring Shares in the Company as an investment. Investors should, however, consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, switching, redeeming or other dealing in the Shares under the laws of their countries of citizenship, residence and domicile.

This summary is subject to future changes.

Luxembourg Taxation

(A) Taxation of the Company

In Luxembourg, the Company is not subject to taxation on its income, profits or gains. The Company is not subject to net wealth tax.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Company is subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on the Net Asset Value of the Company at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% *per annum* is applicable to individual Funds or individual Share classes, provided that such Fund or Share class comprises only one or more institutional investors (within the meaning of Article 174 of the Law). In addition, those Funds that are authorised as MMFs under the MMFR in accordance with the Luxembourg Law (without prejudice to Article 175, letter b) of the Law) are liable to the same reduced tax rate of 0.01% per annum of their net assets.

Subscription tax exemption applies to:

(1) investments in a Luxembourg UCI subject itself to the subscription tax,

(2) UCIs as well as individual compartments of UCIs with multiple compartments (a) whose securities are only held by institutional investor(s), and (b) that are authorised as short-term money market funds in accordance with MMFR, and (c) that have obtained the highest possible rating from a recognised rating agency. Where several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors,

(3) UCIs and individual compartments of UCIs with multiple compartments whose securities are reserved for (a) institutions for occupational retirement pension or similar investment vehicles, set-up on initiative of one or more employers and (b) companies of one or more employers investing funds they hold to provide retirement benefits to their employees and (c) savers in the context of a pan-European personal pension product established under Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a

pan-European personal pension product (PEPP). If there are several classes of securities within the UCI or the compartment, the exemption applies only to those classes whose securities are reserved for the investors referred to in points (a), (b) and (c) of this point,

(4) UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions,

(5) UCIs as well as individual compartments of UCIs with multiple compartments:

(I) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and

(II) whose exclusive object is to replicate the performance of one or more indices.

(6) If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition of sub-point (I),UCIs as well as individual compartments of UCIs with multiple compartments that are authorised as European long-term investment funds within the meaning of Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long term investment funds.

In order to benefit from these exemptions, UCIs must indicate the value of the eligible net assets separately in the periodic declarations that they make to the Registration Duties, Estates and VAT Authority.

Withholding tax

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin, and provisions in this respect may be recognised in certain jurisdictions.

Distributions made by the Company are not subject to withholding tax in Luxembourg.

(B) Taxation of Shareholders

Non Luxembourg resident Shareholders

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

US Foreign Account Tax Compliance Act 2010 (FATCA) and OECD Common Reporting Standard 2016 ("CRS")

FATCA was enacted in the USA on 18 March 2010 as part of the Hiring Incentives to Restore Employment Act. It includes provisions under which the Company as a Foreign Financial Institution ("FFI") may be required to report directly to the Internal Revenue Service ("IRS") certain information about shares held by US tax payers or other foreign entities subject to FATCA and to collect additional identification information for this purpose. Financial institutions that do not enter into an agreement with the IRS and comply with the FATCA regime could be subject to 30% withholding tax on any payment of US sourced income as well as on the gross proceeds deriving from the sale of securities generating US income made to the Company. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the USA and implemented the IGA into Luxembourg law in July 2015.

CRS has been implemented by Council Directive 2014/107/EU on the mandatory automatic exchange of tax information which was adopted on 9 December 2014 and implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). CRS became effective among most member states of the European Union on 1 January 2016. Under CRS, the Company may be required to report to the Luxembourg tax authority certain information about shares held by Investors who are tax resident in a CRS participating country and to collect additional identification information for this purpose.

In order to comply with its FATCA and CRS obligations, the Company may be required to obtain certain information from its Investors so as to ascertain their tax status. Under the FATCA IGA referred to above, if the Investor is a specified person, such as a US owned non-US entity, non-participating FFI or does not provide the requisite documentation, the Company will need to report information on these Investors to the Luxembourg tax authority, in accordance with applicable laws and regulations, which will in turn report this to the IRS. Under CRS, if the Investor is tax resident in a CRS participating country and does not provide the requisite documentation, the Company will need to report information on these Investors to the Luxembourg tax authority, in accordance with applicable laws and regulations. Provided that the Company acts in accordance with these provisions it will not be subject to withholding tax under FATCA.

Shareholders and intermediaries should note that it is the existing policy of the Company that Shares are not being offered or sold for the account of US Persons or Investors who do not provide the appropriate CRS information. Subsequent transfers of Shares to US Persons are prohibited. If Shares are beneficially owned by any US Person or a person who has not provided the appropriate CRS information, the Company may in its discretion compulsorily redeem such Shares. Shareholders should moreover note that under the FATCA legislation, the definition of specified persons will include a wider range of Investors compared to other legislation.

UK Taxation

(A) The Company

It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it will not become resident in the UK. Accordingly, and provided that the Company does not carry on a trade in the UK through a branch or agency situated therein, the Company will not be subject to UK corporation tax or income tax.

(B) Shareholders

Offshore Funds Legislation

Part 8 of the Taxation (International and Other Provisions) Act 2010 and Statutory Instrument 2009/3001 (the "Offshore Funds Regulations") provides that if an Investor who is resident or ordinarily resident in the United Kingdom for taxation purposes disposes of a holding in an offshore entity that constitutes an "offshore fund" and that offshore fund does not qualify as a "reporting fund" throughout the period during which the Investor holds that interest, any gain accruing to the Investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as a capital gain. The Company is an "offshore fund" for the purpose of those provisions.

All Classes of Shares in the Company, with the exception of R Shares (see further below), are managed with a view to them qualifying as "Reporting Funds" for taxation purposes, and accordingly any capital gain on disposal of Shares in the Company should not be reclassified as an income gain under the UK's Offshore Funds Regulations. A full list of reporting Share Classes is available from the Management Company on request. A list of Reporting Funds and their certification dates is published on the HMRC webpage https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds. Under the Offshore Funds Regulations, Investors in Reporting Funds are subject to tax on their share of the Reporting Fund's income for an accounting period, whether or not the income is distributed to them. UK resident holders of Accumulation Share Classes should be aware that they will be required to account for and pay tax on income which has been reported to them in respect of their holdings, on an annual basis through their tax return, even though such income has not been distributed to them.

For the avoidance of doubt, distributions which in accordance with 3.4 above have been reinvested in further Shares should be deemed for the purpose of UK tax as having been distributed to the Shareholders and subsequently reinvested by them, and accordingly should form part of the Shareholder's taxable income of the period in which the dividend is deemed to have been received.

In accordance with the Offshore Funds Regulations, reportable income attributable to each Fund Share will be published no later than 10 months after the end of the reporting period on the following Schroders webpage https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/income-tables/

It is the Investor's responsibility to calculate and report their respective total reportable income to HMRC based on the number of Shares held at the end of the reporting period. In addition to reportable income attributable to each Fund Share the report will include information on amounts distributed per Share and the dates of distributions in respect of the reporting period. Shareholders with particular needs may request their report be provided in paper form, however we reserve the right to make a charge for this service.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 provides that, if at any time in an accounting period a person within the charge of United Kingdom corporation tax holds an interest in an offshore fund within the meaning of the relevant provisions of the tax legislation, and there is a time in that period when that fund fails to meet the "qualifying investments test", the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to meet the "qualifying investments test" at any time where more than 60% of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivatives contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves meet the "qualifying investments test". The Shares will constitute interests in an offshore fund and on the basis of the investment policies of the Company, the Company could fail to meet the "qualifying investments test".

R Shares do not qualify as Reporting Funds for taxation purposes, and accordingly any capital gain on disposal of R Shares will be reclassified as an income gain under the UK's offshore fund rules and taxed accordingly.

Stamp Taxes

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest GBP 5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

Distributions

Distributions paid by Funds that hold more than 60% of their assets in interest-bearing, or economically similar, form at any time in an accounting period are treated as a payment of annual interest for UK resident individual Investors. Where Shares are held within an Individual Savings Account ("ISA"), this income is free of tax. For Shares held outside an ISA, a Personal Savings Allowance is available to exempt the first £1,000 of interest income from tax in the hands of basic rate taxpayers. The Allowance is £500 for higher rate taxpayers and nil for additional rate taxpayers. Total interest received in excess of the Allowance in a tax year is subject to tax at the rates applying to interest. The rates are currently 20%, 40% and 45% for basic rate, higher rate and additional rate bands respectively.

Distributions paid by Funds that have no more than 60% of their assets in interest-bearing form at all times in an accounting period are treated as foreign dividends.

Where shares are held outside an ISA, total dividends received in a tax year up to the tax-free dividend allowance will be free of income tax. Dividends totalling in excess of that amount will be subject to tax at rates of 8.75%, 33.75% and 39.35% where they fall within the basic rate, higher rate and additional rate bands respectively. Please note, the rates for basic rate and higher rate taxpayers are expected to rise to 10.75% and 35.75% respectively with effect from 6th April 2026. Dividends received on shares held within an ISA will continue to be tax-free.

Equalisation

The Company operates full equalisation arrangements. Equalisation applies to Shares purchased during a Distribution Period. The amount of income, calculated daily and included in the purchase price of all Shares purchased part way through a Distribution Period, is refunded to holders of these Shares on a first distribution as a return of capital.

Being capital, it is not liable to income tax and it should be excluded from the calculation of reportable income included in a UK Shareholder's tax return. The daily income element of all Shares is held on a database and is available upon request from the Company's registered office or online at https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/equalisation/ .

The aim of operating equalisation is to relieve new Investors in the Company from the liability to tax on income already accrued in the Shares they acquire. Equalisation will not affect Shareholders who own their Shares for the whole of a Distribution Period.

German Taxation

In addition to the investment restrictions set out in the Appendices II, and III and IV, the following Funds will also invest more than 50% of the Fund's Gross Asset Value in equity participations as defined by the German Investment Tax Act and the related BMF circular dated 21 May 2019 ("BMF Circular 2019/0415199") and as may be amended from time to time:

Fund
Schroder SSF Wealth Management Global Equity
Schroder SSF Wealth Management Global Sustainable Equity

The following Funds will invest at least 25% of the Gross Asset Value of the Fund in equity participations as defined above:

Fund
Schroder SSF Wealth Management Global GBP Growth
Schroder SSF Wealth Management Global GBP Balanced

The relevant equity ratio for the Funds will be published on a daily basis on Schroders German webpage https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/special-situations/ and on WM Daten.

Corporate actions, subscriptions, redemptions, index rebalancing, and market fluctuations may cause the Funds' equity participation ratio to temporarily fall below the relevant threshold. In such cases, the Funds will take reasonable and timely measures to restore compliance upon becoming aware of the shortfall.

Temporary declines in the equity participation ratio below the relevant threshold should generally not be considered breaches and do not result in adverse tax consequences for German investors, provided that the shortfall does not exceed 20 bank business days within a fiscal year.

For the purpose of this investment restriction, reference to equity participations include:

(A) shares in a company (which may not include depository receipts) that are admitted to official trading on a stock exchange or admitted to, or included in another organised market which fulfils the criteria of a Regulated Market; and/or

(B) shares in a company other than a real estate company which is (i) resident in a Member State or in a member state of the European Economic Area, and where it is subject to, and not exempt from corporate income tax; or (ii) is a resident in any other state and subject to corporate income tax of at least 15%; and/or

(C) shares of a UCITS and/or of an Alternative Investment Fund (an AIF) that is not a partnership, which – as disclosed in their respective investment terms - are continuously invested with a minimum of more than 50% of their values in equity participations (an "Equity Fund") with 50% of the units of Equity Funds held by the Fund being taken into account as equity participations; and/or

(D) shares of a UCITS and/or of an AIF that is not a partnership, which – as disclosed in their respective investment terms - are continuously invested with a minimum of at least 25% of their values in equity participations (a "Mixed Fund") with 25% of the units of Mixed Funds held by the Fund being taken into account as equity participations; and/or

(E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or

(F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.

3.5. Meetings and Reports

Meetings

The annual general meeting of Shareholders of the Company is held in Luxembourg at a date and time decided by the Directors but no later than within six months from the end of the Company's previous financial year. Notices of all general meetings of Shareholders are sent to registered Shareholders by registered mail, or via alternative means permitted by applicable law, prior to the meeting and will include the agenda and specify the place of the meeting. Any general meeting at which a special resolution is to be proposed shall be convened on at least 21 days' prior notice and any general meeting at which an ordinary resolution is to be proposed shall be convened on at least 14 days' prior notice. The legal requirements as to notice, quorum and voting at all general and Fund or Share Class meetings are included in the Articles. Meetings of Shareholders of any given Fund or Share Class shall decide upon matters relating to that Fund or Share Class only.

The notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the Shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"). The right of a Shareholder to participate at a general meeting of

Shareholders and to exercise voting rights attached to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

Reports

The financial year of the Company ends on 31 December each year. Copies of the annual and semi-annual financial reports may be obtained from the webpage https://www.schroders.com and are available free of charge from the registered office of the Company. Such reports form an integral part of this Prospectus.

3.6. Details of Shares

Shareholder rights

The Shares issued by the Company are freely transferable and entitled to participate equally in the profits, and in case of Distribution Shares, dividends of the Share Classes to which they relate, and in the net assets of such Share Class upon liquidation. The Shares carry no preferential and pre-emptive rights.

Voting

At general meetings, each Shareholder has the right to one vote for each whole Share held.

A Shareholder of any particular Fund or Share Class will be entitled at any separate meeting of the Shareholders of that Fund or Share Class to one vote for each whole Share of that Fund or Share Class held.

In the case of a joint holding, only the first named Shareholder may vote.

Compulsory redemption

The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of (i) any person in breach of the law or requirements of any country or government or regulatory authority or (ii) any person in circumstances which in the opinion of the Board might result in the Company incurring any liability to taxation (to include, inter alia, regulatory or tax liabilities and any other tax liabilities that might derive, inter alia, from the requirements of FATCA or the Common Reporting Standard or any similar provision or any breach thereof) or suffering any pecuniary disadvantage which the Company might not otherwise have incurred or suffered, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority or (iii) any person whose shareholding's concentration could, in the opinion of the Directors, jeopardise the liquidity of the Company or any of its Funds including those qualifying as Money Market Funds or (iv) any person whose ownership may otherwise be detrimental to the Company.

In particular, if it shall come to the attention of the Directors at any time that Shares are beneficially owned by a US Person, or a specified person for the purposes of FATCA, the Company will have the right to effect compulsory redemption of such Shares. The Directors may also decide to compulsorily redeem or convert any holding with a value of less than the minimum holding amount or where the Shareholder does not meet the eligibility criteria in respect of a particular Share Class.

The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold.

Transfers

The transfer of registered Shares may be effected at the Management Company's discretion by delivery to the Transfer Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant certificate to be cancelled.

Rights on a winding-up

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an extraordinary general meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Fund shall be distributed by the liquidators to the Shareholders of the relevant Fund in proportion to the value of their holding of Shares.

If and when the net assets of a Share Class fall below the amount of EUR 10,000,000, or all Share Classes in a Fund fall below EUR 50,000,000 or its equivalent in another currency, or such other amounts as may be determined by the Directors from time to time to be the minimum level for assets of such Share Class or Fund to be operated in an economically efficient manner, or if any economic or political situation would constitute a compelling reason therefore, or if required in the interest of the Shareholders of the relevant Share Class or Fund, the Directors may decide to redeem all the Shares of that Share Class or Fund or to liquidate that Fund. In any such event Shareholders will be notified by redemption or liquidation notice published (or notified as the case may be) by the Company in accordance with applicable Luxembourg laws and regulations prior to compulsory redemption and will be paid the Net Asset Value of the Shares of the relevant Share Class held as at the redemption or liquidation date.

The decision to liquidate a Fund may also be made at a meeting of Shareholders of the particular Fund concerned.

Under the same circumstances as described above, the Directors may also decide upon the reorganisation of any Fund by means of a division into two or more separate Funds. Such decision will be published or notified in the same manner as described above and, in addition, the publication or notification will contain information in relation to the two or more separate Funds resulting from the reorganisation. Such publication or notification will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or switch of their Shares before the reorganisation becomes effective.

Any merger of a Fund with another Fund of the Company or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for the merger to the general meeting of Shareholders of the Fund concerned. In the latter case, no quorum is required for this general meeting and the decision for the merger is taken by a simple majority of the votes cast. Such a merger will be undertaken in accordance with the provisions of the Law.

Any liquidation proceeds not claimed by the Shareholders at the close of the liquidation of a Fund will be deposited in escrow at the "Caisse de Consignation". Amounts not claimed from escrow within the period fixed by Luxembourg law (thirty years) will become the property of the state of the Grand Duchy of Luxembourg.

3.7. Pooling

For the purpose of effective management, and subject to the provisions of the Articles and to applicable laws and regulations, the Management Company may invest and manage all or any part of the portfolio of assets established for two or more Funds (for the purposes hereof "Participating Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Management Company may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Share Class concerned. The share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Management Company shall, in its discretion, determine the initial value of notional units (which shall be expressed in such currency as the Management Company considers appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the notional unit shall be determined by dividing the Net Asset Value of the asset pool by the number of notional units subsisting.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of units of the Participating Fund concerned will be increased or reduced, as the case may be, by a number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it will be treated for the purpose of this calculation as reduced by an amount which the Management Company considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Company, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

3.8. Co-Management

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the Management Company may decide that part or all of the assets of one or more Funds will be co-managed with assets belonging to other Luxembourg collective investment schemes. In the following paragraphs, the words "co-managed entities" shall refer globally to the Funds and all entities with and between which there would exist any given co-management arrangement and the words "co-managed Assets" shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, the Investment Manager, if appointed and granted the day-to-day management will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of the relevant Fund's portfolio. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Management Company or any of the Management Company's appointed agents, the co-management arrangement may cause the composition of assets of the relevant Fund to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which the Fund is co-managed will lead to an increase of the Fund's reserve of cash.

Conversely, redemptions made in one entity with which any Fund is co-managed will lead to a reduction of the Fund's reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Management Company or any of the Management Company's appointed agents to decide at anytime to terminate its participation in the co-management arrangement permit the relevant Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of its Shareholders.

If a modification of the composition of the relevant Fund's portfolio resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the Fund) is likely to result in a breach of the investment restrictions applicable to the relevant Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets of the Funds shall, as the case may be, only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets in order to assure that investment decisions are fully compatible with the investment policy of the relevant Fund. Co-managed Assets shall only be co-managed with assets for which the Depositary is also acting as depositary in order to assure that the Depositary is able, with respect to the Company and its

Funds, to fully carry out its functions and responsibilities pursuant to the Regulations. The Depositary shall at all times keep the Company's assets segregated from the assets of other co-managed entities, and shall therefore be able at all time to identify the assets of the Company and of each Fund. Since co-managed entities may have investment policies which are not strictly identical to the investment policy of the relevant Funds, it is possible that as a result the common policy implemented may be more restrictive than that of the Funds concerned.

A co-management agreement shall be signed between the Management Company, the Depositary and the Investment Managers in order to define each of the parties' rights and obligations. The Directors may decide at any time and without notice to terminate the co-management arrangement.

Shareholders may at all times contact the registered office of the Company to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Audited annual and half-yearly reports shall state the co-managed Assets' composition and percentages.

3.9. Benchmark Regulation

Regulation (EU) 2016/1011 as amended by Regulation (EU) 2025/914 (the 'Benchmark Regulation') introduces a requirement for all benchmark administrators providing indices which are used or intended to be used as benchmarks in the way described in the Benchmark Regulation in the European Union to be authorised or registered by the competent authority. In respect of the Funds, the Benchmark Regulation prohibits such use of benchmarks unless they are produced by a European Union administrator authorised or registered by the ESMA or are non-EU benchmarks that are included in ESMA's register under the Benchmark Regulation's third country regime.

The Management Company maintains 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 the registered office of the Management Company.

As of the date of this Prospectus, the administrators of benchmarks used by a Fund are as follows:

Benchmark administrators	Location	Benchmarks	Fund
MSCI Limited	London	MSCI AC World Net TR	QEP Global Core

The inclusion of any administrator of a benchmark used by a Fund within the meaning of the Benchmark Regulation in the ESMA register of benchmark administrators will be reflected in the Prospectus at its next update.

3.10. SFDR and Taxonomy Regulation

Information relating to Funds with environmental and social characteristics or sustainable investment objectives is provided in Appendix V in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Consideration of principal adverse impacts

Each Fund that has environmental and/or social characteristics or has the objective of sustainable investment discloses whether it considers principal adverse impacts on sustainability factors and how in the pre-contractual disclosures for each Fund in Appendix V. Principal adverse impacts are considered by the relevant Investment Manager of the Fund as part of its investment process. This can happen in multiple ways. For example, it may involve using the value of an indicator to engage with a holding in order to mitigate its principal adverse impact. In addition, where applicable for the Investment Manager, data on principal adverse sustainability indicators is made available via a Schroders' proprietary tool. Not all principal adverse sustainability indicators will be equally relevant for all Funds and may not be assessed in the same way for each Fund. Fund level data on principal adverse sustainability indicators is made available via the European ESG Template (EET). Where relevant, information on principal adverse impacts on sustainability factors will also be disclosed in the Fund's annual report.

As at the date of this Prospectus, all other Funds do not consider principal adverse impacts on sustainability factors as the investment policies of those Funds do not promote any environmental and/or social characteristics. The situation may however be reviewed going forward.

Taxonomy

For the purposes of the Taxonomy, the Funds' investments do not take into account the EU criteria for environmentally sustainable economic activities. For further information in respect of each Fund that has environmental and/or social characteristics or has the objective of sustainable investment please see the relevant sections of the pre-contractual disclosures for each Fund in Appendix V.

Appendix I

Investment Restrictions

The Directors have adopted the following restrictions relating to the investment of the Company's assets and its activities unless otherwise provided for in Appendix III and Appendix IV for specific Funds. These restrictions and policies may be amended from time to time by the Directors if and as they shall deem it to be in the best interests of the Company in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Fund. Those restrictions in section 1(D) below are applicable to the Company as a whole.

1. Investment in Transferable Securities and Liquid Assets

(A) The Company will invest in:

(1) transferable securities and Money Market Investments admitted to or dealt in on a Regulated Market; and/or

(2) recently issued transferable securities and Money Market Investments, provided that:

(I) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another Regulated Market which operates regularly, is recognised and open to the public and

(II) such admission is secured within one year of the issue; and/or

(3) units of UCITS and/or of other UCI, whether situated in an EU member state or not, provided that:

(I) such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Law, and that cooperation between authorities is sufficiently ensured,

(II) the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and Money Market Investments are equivalent to the requirements of the UCITS Directive,

(III) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,

(IV) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or

(4) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Law; and/or

(5) derivatives, including equivalent cash-settled instruments, dealt on a Regulated Market, and/or derivatives dealt over-the-counter provided that:

(I) the underlying consists of securities covered by this section 1(A), Financial Indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objective;

(II) the counterparties to OTC derivatives transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;

(III) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

and/or

(6) Money Market Investments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting Investors and savings, and provided that such instruments are:

(I) issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or

(II) issued by an undertaking any securities of which are dealt in on Regulated Markets, or

(III) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least stringent as those laid down by EU law, or

(IV) issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/

EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Fund in transferable securities or Money Market Investments other than those referred to under A(1) to A(2) and A (6) above.

(7) Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with paragraph B below;
- derivatives, which may be used only for hedging purposes;

For the purposes of compliance with section 3 below, the Feeder UCITS shall calculate its global exposure related to derivatives by combining its own direct exposure under the above paragraph, with either:

- the Master UCITS actual exposure to derivatives in proportion to the Feeder UCITS investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS

(B) Each Fund may hold ancillary liquid assets. Liquid assets used to back-up financial derivative exposure are not considered as ancillary liquid assets. Each Fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions. Under exceptional unfavourable market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008) or other exceptional circumstances (such as unavoidable settlement mismatches) and on a temporary basis, this limit may be breached, if justified in the interest of the Investors.

(C) .

(1) Each Fund may invest no more than 10% of its Net Asset Value in transferable securities or Money Market Investments issued by the same issuing body (and in the case of structured financial instruments embedding derivatives, both the issuer of the structured financial instrument and the issuer of the underlying securities). Each Fund may not invest more than 20% of its net assets in deposits made with the same body. The counterparty risk of a Fund in a derivative transaction that is not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR, shall not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A) (4) above or 5% of its net assets in other cases.

(2) Furthermore, where any Fund holds investments in transferable securities and Money Market Investments of any issuing body which individually exceed 5% of the Net Asset Value of such Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Fund.

This limitation does not apply to deposits and derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C)(1), a Fund shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or Money Market Investments issued by that body,
- deposits made with that body, or
- exposures arising from derivative transactions undertaken with that body that are not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR.

(3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or Money Market Investments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.

(4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of debt securities which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for qualifying debt securities that were issued before 8 July 2022 which are issued by highly rated credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amounts resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law. In particular, sums deriving from the issue of those bonds issued before 8 July 2022 must be invested in accordance with the law in assets which during the whole period of validity of the bonds, are capable of covering claims attached to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

(5) If a Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Fund.

(6) The transferable securities and Money Market Investments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and Money Market Investments issued by the same body, in deposits or derivatives made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of each Fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

A Fund may cumulatively invest up to 20% of its net assets in transferable securities and Money Market Investments within the same group.

(7) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of a Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or Money Market Investments are highly dominant or in the case of one commodity where the commodity is a dominant component of a diversified commodity index, provided in each case that investment up to 35% is only permitted for a single issuer.

Where any Fund has invested in accordance with the principle of risk spreading in transferable securities or Money Market Investments issued or guaranteed by an EU member state, by its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members, the Company may invest 100% of the Net Asset Value of any Fund in such securities provided that such Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Fund.

Subject to having due regard to the principle of risk spreading, a Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

(D) .

(1) The Company may not normally acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.

(2) Each Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the Money Market Investments of the same issuing body, and/or (d) 25% of the units of the same UCITS or UCI. However, the limits laid down in (b), (c) and (d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Investments or the net amount of securities in issue cannot be calculated.

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

(1) transferable securities and Money Market Investments issued or guaranteed by an EU member state or its local authorities;

(2) transferable securities and Money Market Investments issued or guaranteed by any other Eligible State;

(3) transferable securities and Money Market Investments issued by public international bodies of which one or more EU member states are members; or

(4) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.

(E) No Fund may invest more than 10% of its net assets in units of UCITS or other UCIs unless otherwise specified in Appendix III and Appendix IV. In addition, the following limits shall apply:

(1) If a Fund is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, this Fund may not invest more than 20% of its net assets in units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not, in aggregate, exceed 30% of the net assets of a Fund.

(2) When a Fund invests in the units of other UCITS and/or other UCIs linked to the Management Company by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or voting rights, or managed by a management company linked to the Investment Managers, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs. In respect of a Fund's investments in UCITS and other UCIs linked to the Management Company as described in the preceding paragraph, there shall be no Annual Management Charge charged to that portion of the assets of the relevant Fund. In respect

of a Fund's investment of more than 10% of its assets in other UCITS and UCIs, the maximum level of management fee that may be charged both to the Fund itself and to these underlying UCITS or other UCIs is 2.5% of that portion of the assets of the relevant Fund. The maximum level of management fee that the Fund may charge at its own level is the same as the Annual Management Charge set out in Appendix III. The Company will indicate in its annual report the total Annual Management Charges charged both to the relevant Fund and to the UCITS and other UCIs in which such Fund has invested during the relevant period.

(3) A Fund may acquire no more than 25% of the units or shares of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units or shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units or shares issued by the UCITS/UCI concerned, all sub-funds combined.

(4) The underlying investments held by the UCITS or other UCIs in which the Funds invest do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.

(F) A Fund (the "Investing Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Funds (each, a "Target Fund") without the Company being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

(1) the Target Fund(s) do(es) not, in turn, invest in the Investing Fund invested in this (these) Target Fund (s); and

(2) no more than 10% of the assets that the Target Fund (s) whose acquisition is contemplated may be invested in units of other Target Funds; and

(3) voting rights, if any, attaching to the Shares of the Target Fund(s) are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(4) in any event, for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

2. Investment in Other Assets

(A) The Company will neither make investments in precious metals, commodities or certificates representing these. In addition, the Company will not enter into derivatives on precious metals or commodities. This does not prevent the Company from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities or financial instruments whose performance is linked to precious metals or commodities.

(B) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(C) The Company may not carry out uncovered sales of transferable securities, Money Market Investments or other financial instruments referred to in sections 1(A)(3), (5) and (6).

(D) The Company may not borrow for the account of any Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Fund, and then only as a temporary measure. For the purpose of this restriction, back-to-back loans are not considered to be borrowings.

(E) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.

(F) The Company may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting.

(G) The Company will on a Fund by Fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

3. Derivatives

As specified in section 1(A)(5) above, the Company may in respect of each Fund invest in financial derivative instruments, including but not limited to those described in more detail below.

Each Fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7).

When a Fund invests in index-based derivatives compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C). The frequency of the review and rebalancing of the composition of the underlying index of such derivatives varies per index and could be daily, weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the relevant Fund.

When a transferable security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of these restrictions. Transferable securities or Money Market Investments backed by other assets are not deemed to embed a derivative.

The Funds may use derivatives for investment purposes, efficient portfolio management and for hedging purposes, within the limits of the Regulations. Under no circumstances shall the use of these instruments and techniques cause a Fund to diverge from its investment policy or objective. The risks against which the Funds could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

Each Fund may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps, contracts for difference or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in Appendix I and the investment objective and policy of each Fund. When a Fund uses total return swaps, it is disclosed in the Fund details. Such OTC derivatives shall to the extent capable of being held in custody be safekept by the Depositary.

Further information on the safekeeping of the collateral received is included in section "Depositary" above.

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

Total return swaps 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 total return swaps, net of direct and indirect operational costs and fees, will be returned to each Fund and are not subject to return sharing agreements. The costs attributed to total return swaps held are included in the spread.

Unless specified otherwise in Appendix III and /or Appendix IV, the global exposure relating to derivatives will be calculated using a commitment approach. Funds applying a Value-at-Risk ("VaR") approach to calculate their global exposure will contain an indication thereto in Appendix III and / or Appendix IV.

Agreements on OTC derivatives

A Fund may enter into agreements on OTC derivatives. The counterparties to any OTC derivatives transactions, such as total return swaps, contracts for difference, repurchase and reverse repurchase transactions or other derivatives, entered into by a Fund, are selected from a list of counterparties approved by the Management Company. The Management Company will aim to select the best available counterparties for any given markets in accordance with its group internal policy. The counterparties will be first class institutions which are either credit institutions or investment firms in each case with a registered office in an EU Member State, a G10 country or another country whose prudential rules are considered equivalent by the CSSF for this purpose and authorised under the MiFID directive or a similar set of rules and which are subject to prudential supervision. The Management Company monitors the ongoing creditworthiness of all counterparties and the list may be amended. The counterparties will have no discretion over the composition or management of the relevant Fund’s portfolio or over the underlying of the financial derivative instruments. The identity of the counterparties will be disclosed in the annual report of the Company.

Since the counterparties with which the Funds enter into total return swaps do not assume any discretion over the Fund's investments (including the reference assets, if any), no approval of the counterparties is required for any transactions relating to the investments of the Funds.

Global exposure

The global exposure of each Fund is formally monitored either using the commitment approach or the VaR approach. The selection should be based on the self-assessment by the Company of its risk profile resulting from its investment policy.

Commitment Approach

The commitment conversion methodology for standard derivatives is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative. For non-standard derivatives, where it is not possible to convert the derivative into the market value or notional value of the equivalent underlying asset, an alternative approach may be used provided that the total amount of the derivatives represents a negligible portion of a Fund’s portfolio.

VaR approach

The calculation of the absolute and relative VaR should be carried out in accordance with the following parameters:

- one-tailed confidence interval of 99%;
- holding period equivalent to 1 month (20 business days);
- effective observation period (history) of risk factors of at least 1 year (250 business days) unless a shorter observation period is justified by a significant increase in price volatility (for instance extreme market conditions);
- quarterly data set updates, or more frequent when market prices are subject to material changes;

at least daily calculation. Stress testing will also be applied at a minimum of once per month.

VaR limits are set using an absolute or relative approach.

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. The absolute VaR approach limits the maximum VaR that a UCITS can have relative to its Net Asset Value (NAV). The absolute VaR of a UCITS cannot be greater than 20% of its NAV. This limit is based upon a 1 month holding period and a 99% unilateral confidence interval.

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 VaR of the UCITS portfolio cannot be greater than twice the VaR of the reference portfolio. Information on the specific VaR benchmark used is disclosed in Appendix III and Appendix IV hereunder.

4. Use of Techniques and Instruments relating to Transferable Securities and Money Market Investments

Techniques and instruments (including, but not limited to, securities lending, repurchase agreements and reverse repurchase agreements) relating to transferable securities and Money Market Investments may be used by each Fund for the purpose of efficient portfolio management and where this is in the best interest of the Fund and in line with its investment objective and investor profile.

To the extent permitted by and within the limits prescribed by the Regulations and in particular (i) the CSSF Circular 08/356 relating to the use of financial techniques and instruments (as may be amended, supplemented or replaced from time to time) and (ii) the CSSF circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues, each Fund may for the purpose of generating additional capital or income or for reducing its costs or risks, enter as purchaser or seller into optional or non-optional repurchase or reverse repurchase agreements and engage in securities lending transactions.

The Company will, for the time being, not engage in securities lending transactions, repurchase and reverse repurchase agreements. Should the Company decide to use such techniques in the future, the Company will update this Prospectus accordingly and will comply with the Regulations and in particular CSSF Circular 14/592 relating to ESMA guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse.

Securities Lending

Should the Company engage in securities lending, each Fund will only engage in securities lending transactions with first class institutions specialising in these types of transactions and which are subject to prudential supervision considered by the CSSF to be equivalent to that laid down in EU law.

Each Fund must ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

In respect of securities loans, the Fund will ensure that its counterparty delivers and each day maintains 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. Such collateral shall comply with the requirements set out in section 5. "Management of Collateral" below.

Reverse repurchase and repurchase agreements

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.

Should a Fund engage in reverse repurchase and repurchase agreements, the Fund will only enter into reverse repurchase and repurchase agreements with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to that laid down in EU law.

A Fund that enters into a reverse repurchase agreement shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

A Fund that enters into a repurchase agreement shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreement 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 and reverse repurchase agreements is such that it is able to comply at all times with its redemption obligations.

The collateral received shall comply with the requirements set out in section 5. "Management of Collateral" below.

All revenues arising from reverse repurchase and repurchase agreements, net of direct and indirect operational costs and fees, will be returned to each Fund. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid, as well as relationship they may have with the Depositary or the Management Company (if any), will be available in the Company's annual report.

5. Management of Collateral

The risk exposures to a counterparty arising from OTC derivatives transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits provided for in section 1(C) above.

Collateral received for the benefit of a Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. Where a Fund enters into OTC derivatives transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

(A) Any collateral received other than cash shall be of high quality, highly 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 section 1(D) above.

(B) Collateral received shall be valued 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) Collateral received shall be of high quality.

(D) The collateral received shall 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) Collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter derivatives transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When a Fund is exposed to different

counterparties, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Fund may be fully collateralised in different transferable securities and Money Market Investments issued or guaranteed by a Member State of the EU, one or more of its local authorities, Eligible State or a public international body to which one or more of the local Member States of the EU belong. In that case the Fund must receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the Net Asset Value of the Fund.

(F) Where there is a title transfer, the collateral received shall be held by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangement, 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.

(G) Collateral received shall be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty, and where applicable, collateral received should also comply with the control limits set out in this section.

(H) Subject to the above conditions, permitted forms of collateral include:

(1) cash and cash equivalents, including short-term bank certificates and Money Market Investments;

(2) government bonds with any maturity issued by countries including but not limited to the UK, the USA, France and Germany with no minimum rating.

(I) 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 adopted by the Management Company.

(J) Non-cash collateral received shall not be sold, re-invested or pledged.

(K) Cash collateral that isn't received on behalf of currency hedged Share Classes shall only be:

- placed on deposit with entities as prescribed in section 1(A)(6) 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;
- invested in short-term money market funds as defined in the "ESMA Guidelines on a Common Definition of European Money Market Funds", issued by ESMA (CESR/10-049) as amended from time to time or in Money Market Funds as defined in MMFR once applicable.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for a Fund, as described in Appendix II.

Collateral Policy

Collateral received by the Fund shall predominantly be limited to cash and government bonds.

Haircut policy

The following haircuts for collateral in OTC transactions are applied by the Management Company (the Management Company reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly):

Eligible Collateral	Remaining Maturity	Valuation Percentage
Cash	N/A	100%
Government Bonds	One year or under	98%
	More than one year up to and including five years	96% - 97%
	More than five years up to and including ten years	93% - 95%
	More than ten years up to and including thirty years	93%
	More than thirty years up to and including forty years	90%
	More than forty years up to and including fifty years	87%

6. Risk Management Process

The Management Company will employ a risk management process which enables it with the Investment Manager to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of each Fund. The Company or the Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivatives.

Upon request of an Investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments. This supplementary information includes the VaR levels set for the Funds using such risk measure.

The risk management framework is available upon request from the Company's registered office.

Sustainability Risk Management

The investment decision making process for each Fund includes the consideration of sustainability risks alongside other factors. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Fund.

Sustainability risks could arise within a particular business or externally, impacting multiple businesses. Sustainability risks that could negatively affect the value of a particular investment might include the following:

- Environmental: extreme weather events such as flooding and high winds; pollution incidents; damage to biodiversity or marine habitats.

- Social: labour strikes; health and safety incidents such as injuries or fatalities; product safety issues.
- Governance: tax fraud; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data.
- Regulatory: new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced.

Different asset classes, investment strategies and investment universes may require different approaches to the integration of such risks in investment decision-making. The Investment Manager will typically analyse potential investments by assessing (alongside other relevant considerations), for example, 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 such as a rise in carbon tax. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders – customers, employees, suppliers and regulators - 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.

The impact of some sustainability risks may have a value or cost that can be estimated through research or the use of proprietary or external tools. In such cases, it will be possible to incorporate this into more traditional financial analysis. An example of this might be the direct implications of an increase in carbon taxes that are applicable to an issuer, which can be incorporated into a financial model as an increased cost and/or as reduced sales. In other cases, such risks may be more difficult to quantify, and so the Investment Manager may seek to incorporate their potential impact in other ways whether explicitly, for example by reducing the expected future value of an issuer or implicitly, for example by adjusting the weighting of an issuer's securities in the Fund's portfolio depending on how strongly it believes a sustainability risk may affect that issuer.

A range of proprietary tools may be used to perform these assessments, along with supplementary metrics from external data providers and the Investment Manager's own due diligence, as appropriate. This analysis informs the Investment Manager's view of the potential impact of sustainability risks on a Fund's overall investment portfolio and, alongside other risk considerations, the likely financial returns of the Fund.

The Management Company's Risk function provides independent oversight of portfolio exposures from a sustainability perspective. The oversight includes ensuring there is an independent assessment of sustainability risks within investment portfolios and adequate transparency and reporting on sustainability risk exposures.

More details on the management of sustainability risks and the Investment Manager's approach to sustainability are available on the webpage https://www.schroders.com/enlu/lu/individual/what-we-do/sustainable-investing/oursustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/. Please also refer to the risk factor entitled "Sustainability Risks" in Appendix II of the Prospectus.

Liquidity Risk Management Framework

The Management Company has established, implemented and consistently applies a liquidity risk management framework which sets out the governance standards and requirements for the oversight of liquidity risk in relation to investment funds. The framework outlines the responsibilities for assessing, monitoring, and providing independent oversight of liquidity risks of the Funds. It also enables the Management Company to monitor the liquidity risks of the Funds and to ensure compliance with the internal liquidity parameters so that the Funds can normally meet their obligation from Share redemptions at the request of Shareholders.

Qualitative and quantitative assessments of liquidity risks at a portfolio and security level are performed to ensure that investment portfolios are appropriately liquid and that the portfolios of the Funds are sufficiently liquid to honour Shareholders' redemption requests. In addition, Shareholder concentrations are regularly reviewed to assess their potential impact on anticipated financial obligations of the Funds.

Funds are reviewed individually with respect to liquidity risks.

The Management Company's assessment of liquidity risks within Funds includes (but is not limited to) consideration of the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and shareholder base.

A detailed description of the liquidity risks are further described in Appendix II of this Prospectus.

At least two appropriate liquidity management tools have been selected for each Fund, taking into account its investment strategy, its liquidity profile and its redemption policy. In this context, the following liquidity management tools have been selected as the main liquidity management tools:

swing pricing (as further detailed in sections "Dilution" and "Dilution Adjustment") for all the Funds.

redemption gates as further described in section "Suspensions or Deferrals" of this Prospectus for all the Funds.

In accordance with applicable laws and regulations, the Company also has the possibility to implement the following liquidity management tools, which are available for all Funds, in exceptional circumstances and where justified having regard to the interests of the Shareholders of the concerned Fund:

temporary suspension of the subscriptions and redemptions as further detailed in section "Suspensions or Deferrals";

temporary activate side pockets.

(A) The Company may decide to activate liquidity management tools in normal or stressed market conditions, as it considers appropriate, taking into account the best interests of the Shareholders of the Funds.

(B) Together with the Management Company, the Directors have established internal policies and procedures detailing the activation, deactivation and calibration of any selected liquidity management tool and the operational and administrative arrangements for the use of such tool.

7. Miscellaneous

(A) The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities

referred to in paragraphs 1(A)(1) and (2) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Company shall not be prevented from acquiring such securities above which are not fully paid.

(B) The Company need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.

(C) The Management Company, the Investment Managers, the Distributors, Depositary and any authorised agents or their associates may have dealings in the assets of the Company provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:

(1) a certified valuation of such transaction is provided by a person approved by the Directors as independent and competent;

(2) the transaction has been executed on best terms, on and under the rules of an organised investment exchange;
or where neither (1) or (2) is practical;

(3) where the Directors are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

(D) Any Funds registered in Taiwan are restricted in the percentage of the Fund that can be invested in securities traded on the security markets of the People's Republic of China. These limits may be amended from time to time by the Financial Supervisory Commission in Taiwan.

(E) Any Funds registered in Hong Kong as an Eligible Collective Investment Scheme under the Capital Investment Entrant Scheme will be subject to certain investment restrictions including having to have certain minimum exposure to the permissible investment assets as specified by the relevant authorities in Hong Kong from time to time. The list of permissible investment assets are published on the webpage of Hong Kong Immigration Department.

(F) In the case of certain Funds, at least 25% or more than 50% of the Gross Asset Value of the Fund shall be invested in equity participations pursuant to German tax requirements. Please refer to section 1.5 (German Taxation) of this Prospectus for further details.

8. Special Purpose Acquisition Vehicles

A Fund may invest up to 10% of its net assets in special purpose acquisition vehicles qualifying as transferable securities. A special purpose acquisition vehicle is a publicly traded company that raises investment capital for the purpose of acquiring or merging with an existing company. Typically, the acquisition target is an existing private company that wants to trade publicly, which it accomplishes through an acquisition by, or combination with, a special purpose acquisition vehicle rather than by conducting a traditional initial public offering.

A special purpose acquisition vehicle does not have any operating history or ongoing business other than seeking to acquire an ongoing business. The identity of the acquisition target is typically not known at the time the special purpose acquisition vehicle seeks investors.

A special purpose acquisition vehicle may raise additional funds for a range of purposes, including in order to fund the acquisition, provide post acquisition working capital, redeem the publicly traded shares as requested by its existing shareholders or some combination of these purposes. This additional fundraising may be in the form of a private placement of a class of equity securities or the issuance of debt. Where in the form of equity, the equity securities sold in this kind of fundraising are generally the same class of securities that trade on the exchange on which the shares of the special purpose acquisition vehicle are listed. Where in the form of debt, the debt could be secured by the assets of the special purpose acquisition vehicle, by the operating company existing after the acquisition, or it could be unsecured. The debt may also be investment grade debt or below investment grade debt.

Special purpose acquisitions vehicles are subject to a variety of risks beyond those associated with other equity securities, which may include different risks such as dilution, liquidity, conflicts of interests or the uncertainty as to the identification, evaluation and eligibility of the acquisition target.

In addition, an investment in a special purpose acquisition vehicle prior to an acquisition is subject to the risks that the proposed acquisition or merger may not obtain the requisite approval of the special purpose acquisition vehicle shareholders, may require governmental or other approvals that it fails to obtain or that an acquisition or merger, once effected, may prove unsuccessful and lose value.

Furthermore, investors in special purpose acquisitions vehicles are subject to certain risks, including that (i) such special purpose acquisition vehicle may not be able to locate or acquire target companies by the relevant deadline; (ii) such special purpose acquisition vehicle may not have identified, selected or approached any prospective target business at the time of investment; (iii) such special purpose acquisition vehicle may be unable to consummate a business combination or acquire a target company, or such combination or acquisition may not be successful due to, for example, the special purpose acquisition vehicle's shareholders rejecting the merger or the special purpose acquisition vehicle failing to satisfy requisite closing conditions; (iv) assets may be subject to third-party claims against such special purpose acquisition vehicle, (v) special purpose acquisition vehicles are structured as publicly-traded blank check companies and investors in such vehicles may not be afforded any rights or benefits under applicable law; (vi) such special purpose acquisition vehicle will likely only complete one business combination, which will cause its returns and future prospects to be solely dependent on the performance of a single acquired business; and (vii) the value of any target business, including its stock price as a public company, may decrease following its acquisition by such special purpose acquisition vehicle.

Investments in special purpose acquisition vehicles are also subject to the risks that apply to investing in any initial public offering, including the risks associated with companies that have little operating history as public companies, including unseasoned trading, a limited number of shares available for trading (i.e. "free float") and limitations to the availability of information about the issuer. As indicated above, like initial public offer issuers, the market for newly-public may be volatile, and share prices of newly-public companies have historically fluctuated significantly over short periods of time. Any equity investments made in the special purpose acquisition vehicle in connection with a proposed business

combination will be diluted by the acquisition itself and any further fundraising post acquisition by the acquired operating business.

Appendix II

Risks of Investment

1. General Risks

Past performance is not a guide to future performance and Shares, other than Shares of Money Market Funds, should be regarded as a medium to long-term investment. The value of investments and the income generated by them may go down as well as up and Shareholders may not get back the amount originally invested. Where the Fund Currency varies from the Investor's home currency, or where the Fund Currency 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 the Investor greater than the usual risks of investment.

2. Investment Objective 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 or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for a Fund.

3. Regulatory Risk

The Company is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, the Funds may be registered in non-EU jurisdictions. As a result of such registrations the Funds may be subject, without any notice to the shareholders in the Funds concerned, to more restrictive regulatory regimes. In such cases the Funds will abide by these more restrictive requirements. This may prevent the Funds from making the fullest possible use of the investment limits.

4. Operational risk

The Company's operations (including investment management, distribution and collateral management) are carried out by several service providers. The Company and/or the Management Company follow a due diligence process in selecting service providers; nevertheless operational risk can occur and have a negative effect on the Company's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

5. Business, Legal and Tax Risks

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Some of the Funds may be subject to withholding and other taxes. Tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may 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 Fund.

6. Risk Factors Relating to Industry Sectors / Geographic Areas

Funds that focus on a particular industry or geographic area are subject to the risk factors and market factors which affect this particular industry or geographic area, including legislative changes, changes in general economic conditions and increased competitive forces. This may result in a greater volatility of the Net Asset Value of the Shares of the relevant Fund. Additional risks may include greater social and political uncertainty and instability; and natural disasters.

7. Risk of Suspension of Share Dealings

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended (see Section 1.5, "Suspensions or Deferrals").

8. Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

9. Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Fund's Investment Manager uses the highest rating for the purposes of determining whether the security is investment grade. When a Fund invests in securities which are not rated by a nationally recognised statistical rating organisation, the Fund's Investment Manager will determine the credit quality by referring to the issuer rating or otherwise as it sees fit (for example using the Fund's Investment Manager's internal rating). A Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Fund's Investment Manager will consider whether the security continues to be an appropriate investment for the Fund. A Fund's Investment Manager considers whether a

security is investment grade only at the time of purchase. Some of the Funds will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager. In the event that the downgrade of a security triggers the breach of an investment limit disclosed in the investment policy of a Fund, the Investment Manager will remedy that situation by selling securities taking due account of the interests of its Shareholders.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

10. Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase 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. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

11. Inflation/Deflation Risk

Inflation is the risk that a Fund's assets or income from a Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's portfolio could decline. 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.

12. Derivatives Risk

For a Fund that uses derivatives to meet its specific investment objective, there is no guarantee that the performance of the financial derivative instruments will result in a positive effect for the Fund and its Shareholders.

Each Fund may incur costs and fees in connection with total return swaps, contracts for difference or other derivatives with similar characteristics, upon entering into these instruments and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report.

13. Warrants Risk

When a Fund invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market. In addition to the market risk related to the volatility of warrants, a Fund investing in synthetic warrants, where the issuer of the synthetic warrant is different to that of the underlying stock, is subject to the risk that the issuer of the synthetic warrant will not perform its obligations under the transactions which may result in the Fund, and ultimately its Shareholders, suffering a loss.

14. Credit Default Swap Risk

A credit default swap allows the transfer of default risk. This allows a Fund to effectively buy insurance on a reference obligation it holds (hedging the investment) or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Fund does not hold the underlying reference obligation, there may be a market risk as the Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

15. Futures, Options and Forward Transactions Risk

A Fund may use options, futures and forward contracts on currencies, securities, indices, volatility, inflation and interest rates for hedging and investment purposes.

Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Fund is fixed, the Fund may sustain a loss well in excess of that amount. The Fund will also be exposed to the risk of the purchaser exercising the option and the Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions and purchasing options, in particular those traded over-the-counter and not cleared through a central counterparty, have an increased counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

16. 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 is 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.

17. Equity Linked Note Risk

The return component of an equity linked note is based on the performance of a single 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.

18. Insurance Linked Securities Risk

Insurance linked securities may incur severe or full losses as a result of insurance events such as natural, man-made or other catastrophes. Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, explosions and marine accidents. The incidence and severity of such catastrophes are inherently unpredictable, and the Fund's losses from such catastrophes could be material. Any climatic or other event which might result in an increase in the likelihood and/or severity of such events (for example, global warming leading to more frequent and violent hurricanes) could have a material adverse effect on the Fund. Although a Fund's exposure to such events will be diversified in accordance with its investment objective, a single catastrophic event could affect multiple geographic zones and lines of business or the frequency or severity of catastrophic events could exceed expectations, either of which could have a material adverse effect on the Fund's Net Asset Value.

19. Total Return Swaps Risk

A Fund may use total return swaps to, inter alia, replicate the exposure of an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cash-flows. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company. At no time will a counterparty in a transaction have discretion over the composition or the management of the Fund's investment portfolio or over the underlying asset of the total return swap.

20. General Risk associated with OTC Transactions

Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. In addition, the prices of such instruments may include an undisclosed dealer mark-up which a Fund may pay as part of the purchase price.

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is for OTC financial derivative instruments (other than certain foreign exchange and equity option transactions) generally mitigated by the transfer or pledge of collateral in favour of the Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to the Fund.

A Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR"), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivatives transactions by requiring certain "eligible" OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of derivatives transactions to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory

clearing. These requirements include the exchange of margin and, where initial margin is exchanged, its segregation by the parties, including by the Company.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Company has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

21. Counterparty Risk

The Company conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Company 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.

A Fund may invest in instruments such as notes, bonds or warrants the performance of which is linked to a market or investment to which the Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

The Funds will only enter into OTC derivatives transactions, including swap agreements, with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivatives transactions entered into with first class institutions should not exceed 10% of the relevant Fund's net assets when the counterparty is a credit institution or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limitations.

22. Specific Risk relating to Collateral Management

Counterparty risk arising from investments in OTC financial derivative instruments (other than certain foreign exchange and equity option transactions) and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of a Fund. However, transactions may not be fully collateralised. Fees and returns due to the Fund may not be collateralised. If a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Fund to meet redemption requests.

Where a Fund is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral the Fund places with the counterparty is higher than the cash or investments received by the Fund.

In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Funds may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

A Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

As collateral will take the form of cash or certain financial instruments, the market risk is relevant. Collateral received by a Fund may be held either by the Depositary or by a third party custodian. In either case, there may be a risk of loss where such assets are held in custody, resulting from events such as the insolvency or negligence of a custodian or sub-custodian.

23. OTC Derivative Clearing Risk

A Fund's OTC derivatives transactions may be cleared prior to the date on which the mandatory clearing obligation takes effect under EMIR in order to take advantage of pricing and other potential benefits. OTC derivatives transactions may be cleared under the "agency" model or the "principal-to-principal" model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central clearing counterparty ("CCP") whereas under the agency model there is one transaction between the Fund and the CCP. It is expected that many of a Fund's OTC derivatives transactions which are cleared will be under the "principal-to-principal" model. However, the following risks are relevant to both models unless otherwise specified.

The CCP will require margin from the clearing broker which will in turn require margin from the Fund. The Fund's assets posted as margin will be held in an account maintained by the clearing broker with the CCP. Such account may contain assets of other clients of the clearing broker (an "omnibus account") and if so, in the event of a shortfall, the assets of the Fund transferred as margin may be used to cover losses relating to such other clients of the clearing broker upon a clearing broker or CCP default.

The margin provided to the clearing broker by the Fund may exceed the margin that the clearing broker is required to provide to the CCP, particularly where an omnibus account is used. The Fund will be exposed to the clearing broker in respect of any margin which has been posted to the clearing broker but not posted to and recorded in an account with the CCP. In the event of the insolvency or failure of the clearing

broker, the Fund's assets posted as margin may not be as well protected as if they had been recorded in an account with the CCP.

The Fund will be exposed to the risk that margin is not identified to the particular Fund while it is in transit from the Fund's account to the clearing broker's account and onwards from the clearing broker's account to the CCP. Such margin could, prior to its settlement, be used to offset the positions of another client of the clearing broker in the event of a clearing broker or CCP default.

A CCP's ability to identify assets attributable to a particular client in an omnibus account is reliant on the correct reporting of such client's positions and margin by the relevant clearing broker to that CCP. The Fund is therefore subject to the operational risk that the clearing broker does not correctly report such positions and margin to the CCP. In such event, margin transferred by the Fund in an omnibus account could be used to offset the positions of another client of the clearing broker in that omnibus account in the event of a clearing broker or CCP default.

In the event that the clearing broker becomes insolvent, the Fund may be able to transfer or "port" its positions to another clearing broker. Porting will not always be achievable. In particular, under the principal-to-principal model, where the Fund's positions are within an omnibus account, the ability of the Fund to port its positions is dependent on the timely agreement of all other parties whose positions are in that omnibus account and so porting may not be achieved. Where porting is not achieved, the Fund's positions may be liquidated and the value given to such positions by the CCP may be lower than the full value attributed to them by the Fund. Additionally, there may be a considerable delay in the return of any net sum due to the Fund while insolvency proceedings in respect of the clearing broker are ongoing.

If a CCP becomes insolvent, subject to administration or an equivalent proceeding or otherwise fails to perform, the Fund is unlikely to have a direct claim against the CCP and any claim will be made by the clearing broker. The rights of a clearing broker against the CCP will depend on the law of the country in which the CCP is established and other optional protections the CCP may offer, such as the use of a third party custodian to hold the Fund's margin. On the failure of a CCP, it is likely to be difficult or impossible for positions to be ported to another CCP and so transactions will likely be terminated. In such circumstances, it is likely that the clearing broker will only recover a percentage of the value of such transactions and consequently the amount the Fund will recover from the clearing broker will be similarly limited. The steps, timing, level of control and risks relating to that process will depend on the CCP, its rules and the relevant insolvency law. However, it is likely that there will be material delay and uncertainty around when and how much assets or cash, if any, the clearing broker will receive back from the CCP and consequently the amount the Fund will receive from the clearing broker.

24. Custody Risk

Assets of the Company are safe kept by the Depositary and Investors are exposed to the risk of the Depositary not being able to fully meet its obligation to restitute in a short time frame all of the assets of the Company in the case of bankruptcy of the Depositary. The assets of the Company will be identified in the Depositary's books as belonging to the Company. Securities held by the Depositary will be segregated from other assets of the Depositary which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The Depositary does not keep all the assets of the Company itself but uses a network of sub-custodians which are not part of the same group of companies as the Depositary. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Depositary.

A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depositary will have no liability.

25. Smaller and Micro-cap Companies Risk

A Fund which invests in smaller or micro-cap companies may fluctuate in value more than other Funds. Smaller companies and micro-cap companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller or micro-cap companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller or micro-cap companies may be more vulnerable to adverse developments than those in larger companies and the Fund may have more difficulty establishing or closing out its securities positions in such companies at prevailing market prices. Also, there may be less publicly available information about smaller or micro-cap companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

26. Portfolio Concentration Risk

Although the strategy of certain Funds of investing in a limited number of assets has the potential to generate attractive returns over time, a Fund which invests in a concentrated portfolio of securities may tend to be more volatile than a Fund which invests in a more broadly diversified range of securities. If the assets in which such Fund invests perform poorly, the Fund could incur greater losses than if it had invested in a larger number of assets.

27. Technology Related Companies Risk

Investments in the technology sector may present a greater risk and a higher volatility than investments in a broader range of securities covering different economic sectors. The equity securities of the companies in which a Fund may invest are likely to be affected by world-wide scientific or technological developments, and their products or services may rapidly fall into obsolescence. In addition, some of these companies offer products or services that are subject to governmental regulation and may, therefore, be adversely affected by governmental policies. As a result, the investments made by a Fund may drop sharply in value in response to market, research or regulatory setbacks.

28. Lower Rated, Higher Yielding Debt Securities Risk

A Fund may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated

securities pay higher yields than more highly rated securities to compensate Investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in the Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

29. Property and Real Estate Companies Securities Risk

The risks associated with investments in securities of companies principally engaged in the real estate industry include: the cyclical nature of real estate values; risks related to general and local economic conditions; overbuilding and increased competition; increases in property taxes and operating expenses; demographic trends and variations in rental income; changes in zoning laws; casualty or condemnation losses; environmental risks; regulatory limitations on rents; changes in neighbourhood values; related party risks; changes in the appeal of properties to tenants; increases in interest rates; and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the Fund's investments.

The real estate market has, at certain times, not performed in the same manner as equity and bond markets. As the real estate market frequently performs, positively or negatively and without any correlation to the equity or bond markets, these investments may affect the performance of the Fund either in a positive or a negative manner.

30. Mortgage Related and Other Asset Backed Securities Risks

Mortgage-backed securities, including collateralised mortgage obligations and certain stripped mortgage-backed securities represent a participation in, or are secured by, mortgage loans. Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicles instalment sales or instalment loan contracts, leases of various types of real and personal property and receivables from credit card agreements. Mortgage-backed and asset-backed securities are commonly used to redirect the interest and principal payments from the pool of underlying assets to investors and can be issued at a fixed or a floating rate. The securities backed by the same pool of underlying assets may be issued in a number of different tranches, or classes, with varying risk and return characteristics depending on the priority of claim on the cash flows from the pool and the terms and conditions. The higher the risk contained in the tranche, the more the security generally pays by way of income.

Traditional debt investments typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on mortgage-backed and many asset-backed investments typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or foreclosure. A Fund may have to invest the proceeds from prepaid investments in other investments with less attractive terms and yields. As a result, these securities may have less potential for capital appreciation during periods of declining interest rates than other securities of comparable maturities, although they may have a similar risk of decline in market value during periods of rising interest rates. As the prepayment rate generally declines as interest rates rise, an increase in interest rates will likely increase the duration, and thus the volatility, of mortgage-backed and asset-backed securities. In addition to interest rate risk (as described above), investments in mortgage-backed securities composed of subprime mortgages may be subject to a higher degree of credit risk, valuation risk and liquidity risk (as described above). Duration is a measure of the expected life of a fixed income security that is used to determine the sensitivity of the security's price to changes in interest rates. Unlike the maturity of a fixed income security, which measures only the time until final payment is due, duration takes into account the time until all payments of interest and principal on a security are expected to be made, including how these payments are affected by prepayments and by changes in interest rates.

The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Some mortgage-backed and asset backed investments receive only the interest portion or the principal portion of payments on the underlying assets. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying assets. Interest portions tend to decrease in value if interest rates decline and rates of repayment (including prepayment) on the underlying mortgages or assets 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. Conversely, principal portions 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.

A Fund may gain investment exposure to mortgage-backed and asset-backed investments by entering into agreements with financial institutions to buy the investments at a fixed price at a future date. A Fund may or may not take delivery of the investments at the termination date of such an agreement, but will nonetheless be exposed to changes in the value of the underlying investments during the term of the agreement.

31. Initial Public Offerings Risk

A Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

32. Risk Associated with Debt Securities Issued Pursuant to Rule 144A under the Securities Act of 1933

SEC Rule 144A provides a safe harbour exemption from the registration requirements of the Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for Investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular rule 144A security.

33. Emerging and Less Developed Markets Securities 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. These risks include: smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign Investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.

Although many of the emerging and less developed market securities in which a Fund may invest are traded on securities exchanges, they 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. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the relevant Fund may be in jeopardy 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.

In addition 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 Depositary). No certificates representing shareholdings in companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, the Company could lose its registration and ownership of the securities through fraud, negligence or even mere oversight. Debt securities also have an increased custodial risk associated with them as such securities may, in accordance with market practice in the emerging or less developed countries, be held in custody with institutions in those countries 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, particularly Ukraine, whether via the primary or secondary market, 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 Depositary shall not be liable for this balance.

Additional risks of Emerging Market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. 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.

For specific risks related to holding Chinese shares, please refer to "Risks Relating to Investments in the China Market" later in this section.

34. Specific Risks Linked to Securities Lending and Repurchase Transactions

Securities 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 sections of this Prospectus. Securities loans may, in the event of a counterparty default or an operational difficulty, be recovered late and only in part, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

The Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction. If the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to the Fund or to purchase replacements for the securities that were lent to the counterparty. In the latter case, the Fund's tri-party lending agent will indemnify the Fund against a shortfall of cash available to purchase replacement securities but there is a risk that the indemnity might be insufficient or otherwise unreliable.

In the event that the Fund reinvests cash collateral 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 counterparty 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.

35. Potential Conflicts of Interest

The Investment Managers and Schroders may effect transactions, including techniques and instruments such as securities lending, repurchase agreements and reverse repurchase agreements, or total return swaps, in which the Investment Managers or Schroders have, directly or indirectly, an interest which may involve a potential conflict with the Investment Managers' duty to the Company. Neither the Investment Managers nor Schroders shall be liable to account to the Company 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' fees, unless otherwise provided, be abated.

The Investment Managers will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

Such potential conflicting interests or duties may arise because the Investment Managers or Schroders may have invested directly or indirectly in the Company.

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the Investors of the Company. The Depositary shall not carry out activities with regard to the Company that may create conflicts of interest between the Company, the Investors in the Company, the Management Company and the Depositary unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to Investors of the Company.

36. Investment Funds

Some of the Funds may invest all or substantially all of their assets in Investment Funds, unless otherwise disclosed, the investment risks identified in this Appendix will apply whether a Fund invests directly, or indirectly through Investment Funds, in the assets concerned. The investments of the Funds in Investment Funds may result in an increase of total operating, administration, depositary and Annual Management Charges and expenses. However the Investment Managers will seek to negotiate a reduction in Annual Management Charges and any such reduction will be for the sole benefit of the relevant Fund.

37. Exchange Rates

The Reference Currency of each Fund is not necessarily the investment currency of the Fund concerned. Investments are made in investment funds in currencies that, in the view of the Investment Managers, best benefit the performance of the Funds.

Shareholders investing in a Fund having a Reference Currency that is different from their own should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

38. Fixed Income Securities

The value of fixed income securities held by Funds generally will vary upon changes in interest rates and such variation may affect Share prices of Funds investing in fixed income securities.

39. Equity Securities

Where a Fund invests in equity or equity-related investments, the values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

40. Private Equity

Investments which grant an exposure to private equity and infrastructure involve additional risks compared to those resulting from traditional investments. More specifically, private equity and infrastructure investments usually have a long-term horizon and offer limited liquidity. The value of financial instruments which grant exposure to private equity or infrastructure may be impacted in a similar manner as direct investments in private equity or infrastructure.

41. Commodities

Investments which grant an exposure to commodities involve additional risks compared to those resulting from traditional investments. More specifically:

- political, military and natural events may influence the production and trading of commodities and, as a consequence, negatively influence financial instruments which grant exposure to commodities;
- terrorism and other criminal activities may have an influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities.

The performance of commodities, precious metals and commodity futures also depends on the general supply situation of the respective goods, the demand for them, the expected output, extraction and production as well as the expected demand, and can for this reason be especially volatile.

42. Tax Efficiency for Shareholders

Post-tax returns to Shareholders are dependent on the local tax rules in the Shareholders' place of tax residence (see section 3. Taxation for comments on taxation generally).

In certain countries, such as Austria and the United Kingdom, tax rules exist that may lead to larger proportions of the investment return from funds of funds being taxed in the hands of shareholders at a higher rate than would be the case for single strategy funds.

These tax rules may be activated if the investments selected by the Investment Manager for the funds of funds are regarded as not meeting certain tests laid down by the tax authorities in the shareholders' country of residence.

In the United Kingdom, returns from investments that are "non-reporting funds" may be treated as being entirely income, and therefore reportable as income by the fund of funds. Thus a greater proportion of the Shareholders´ return from the fund of funds would be treated as income, rather than capital, and taxed accordingly at rates that are currently higher than for capital gains.

The Investment Manager of the fund of funds will endeavour to select investments that do qualify as "reporting funds", in order to minimise the impact of these local tax rules for Shareholders. However, it is possible that such investments are not available to meet certain strategic aims of the Investment Manager, and in that case it may happen that "non-reporting funds" have to be acquired.

The Investment Manager will undertake all necessary reporting as required under local tax rules to enable Shareholders to compute their tax liability in accordance with the rules.

43. Convertible Securities Risk

Convertible securities are typically bonds or preferred stocks that may be converted into a specific number of shares of the issuing company's stock at a specified conversion price.

Convertible securities combine investment characteristics and risks of equities and bonds.

Depending on the value of the underlying stock, the convertible security will behave more like a stock or like a bond.

When the price of the underlying stock exceeds the conversion price, the convertible security generally behaves more like a stock and will be more sensitive to changes in equity securities. When the price of the underlying stock is lower than the conversion price, the convertible security generally behaves more like a bond and will be more sensitive to changes in interest rates and in credit spreads.

Given the benefit provided by the potential conversion, convertible securities generally offer lower yields than non-convertible securities of similar quality.

They also can be of lower credit quality and tend to be less liquid than traditional nonconvertible securities. Lower credit quality debt securities are generally subject to greater market, credit and default risk compared to more highly rated securities.

44. Contingent Convertible Securities Risk

Contingent convertible securities are typically debt instruments which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond will set out specific trigger events and conversion rates. Trigger events may be outside of the issuer’s control. A common trigger event is the decrease in the issuer’s capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

Coupon payments on certain contingent convertible securities may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Contrary to typical capital hierarchy, contingent convertible securities investors may suffer a loss of capital before equity holders.

Most contingent convertible securities are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible securities may not be called on the pre-defined call date and investors may not receive return of principal on the call date or at any date.

There are no widely accepted standards for valuing contingent convertible securities. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.

In certain circumstances finding a ready buyer for contingent convertible securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

45. Sovereign Risk

There is a risk that governments or their agencies may default or not completely fulfil their obligations. In addition, there is no bankruptcy proceeding for sovereign debt securities on which money to pay the obligations of sovereign debt securities may be collected in whole or in part. As a consequence of this holders of sovereign debt securities may be requested to participate in the rescheduling of sovereign debt securities and to extend further loans to the issuers of sovereign debt securities.

46. Risks Relating to Investments in the China Market

Investors may also be subject to risks specific to the China market. Any significant change in mainland China's political, social or economic policies may have a negative impact on investments in the China market. The regulatory and legal framework for capital markets in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. Investors should also 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. Transfers of A and B shares of People's Republic of China (PRC) resident companies by foreign corporate shareholders are subject to a 10% capital gains withholding tax, although the tax has not been collected in the past, and uncertainties remain over the timing, any retrospective impact, and the calculation method. Subsequently, the PRC tax authorities announced in November 2014 that gains on the transfer of shares and other equity investments in China by foreign investors would be subject to a 'temporary' exemption from capital gains withholding tax. There was no comment about the duration of this temporary exemption. No accruals are being made for gains realised post-17 November 2014 pending further developments. The situation is being kept under review for indications of any change in market practice or the release of further guidance from the PRC authorities, and accruals for PRC capital gains withholding tax may re-commence without notice upon the release of such guidance if the Directors and their advisors believe this is appropriate.

PRC corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by foreign investors (including the Funds) on trading of China A-Shares via the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. However, foreign investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the listed companies. For investors who are tax residents of a jurisdiction which has concluded a tax treaty with the PRC, such investors may apply for a refund of the PRC withholding income tax overpaid if the relevant tax treaty provides for a lower PRC withholding income tax on dividends for a lower dividend tax rate, such investors may apply to the tax authority for a refund of the differences.

47. China - Risks Regarding QFI Status

Under current regulations in the PRC, foreign investors (such as the Company) may invest in certain eligible onshore PRC investments, in general, only through entities that have obtained status as a Qualified Foreign Investor (“QFI”) from the China Securities Regulatory Commission (“CSRC”), for example the Investment Managers. The QFI regime is governed by rules and regulations as promulgated by the mainland Chinese authorities, i.e., the CSRC, the State

Administration of Foreign Exchange ("SAFE") and the People's Bank of China ("PBOC"). Such rules and regulations may be amended from time to time.

Pursuant to the Provisions on the Administration of Funds of foreign institutional investors for Domestic Securities and Futures Investment, the previous investment quota restrictions under the Qualified Foreign Institutional Investor (QFII) regime and Renminbi Qualified Foreign Institutional Investor (RQFII) regime have been removed. Further, from 1 November 2020, the RQFII and QFII regimes have been merged, such that RQFIIs and QFIIs are now regulated as QFIs under a set of regulations which unifies the previously separate requirements governing RQFIIs and QFIIs. Foreign institutional investors that previously held a RQFII and/or QFII licence are regarded as QFIs and are not required to re-apply for QFI status.

As disclosed in the Fund details, some Funds may invest directly in the PRC via the QFII status (now known as QFI status) of the relevant Investment Managers (i.e. QFI Holders).

The following risks are relevant to the QFI regime:

Risks regarding QFI status- Investors should note that QFI status could be suspended or revoked/terminated or otherwise invalidated, which may have an adverse effect on the Funds' performance as the Funds may be required to dispose of its securities holdings and /or may be prohibited from trading of relevant securities and repatriation of the Funds' monies. The Funds may suffer substantial losses.

Investors should note that there can be no assurance that the Investment Managers (as QFI Holders) will continue to maintain their QFI status or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may result in a rejection of subscription applications and a suspension of dealings of the Funds. In extreme circumstances, the Funds may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue their investment objective or strategy, due to QFI investment restrictions, the illiquidity of the Chinese domestic securities market, and/or delay or disruption in the execution of trades or in the settlement of trades.

The Investment Manager, as a QFI holder, and Funds, which uses the Investment Manager's status as a QFI, are not subject to quota restrictions under the QFI regimes. There is no assurance, however, that PRC rules and regulations will not change or that quota restrictions will not be imposed in the future. Any restrictions on quota may affect the Investment Manager's ability to effectively pursue the investment strategy of the Funds.

The rules and restrictions under QFI regulations, generally apply to the QFI as a whole and not simply to the investments made by the Funds. The CSRC, SAFE and PBOC are vested with the power to impose regulatory sanctions if the QFI or the QFI Custodian violates any provision of certain QFI regulations. Any such regulatory sanctions may adversely impact the Investment Manager's ability to effectively pursue the investment strategy of the Funds.

Risks regarding application of QFI rules - The QFI rules enable Renminbi and funds in foreign currency to be remitted into and repatriated out of the PRC. The QFI rules are relatively new in nature and their application may depend on the interpretation given by the relevant Chinese authorities. A Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change. Any changes to the relevant rules may have an adverse impact on investors' investment in the Funds. Such changes may have potential retrospective effect on the Funds and may adversely affect the Funds. A Fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the Fund may be prohibited from trading of relevant securities and repatriation of the Fund's monies, or if any of the key operators or parties (including China custodian/PRC brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of any funds or securities).

Risks regarding repatriation and liquidity risks - Certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Funds' liquidity and performance. The SAFE regulates and monitors the repatriation of funds out of the PRC by the QFI holders. Repatriations in RMB and/or funds in foreign currency conducted by QFI holders in respect of an open-ended fund (such as the Funds) are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the China Custodian. There is no assurance, however, that PRC rules and regulations will not change or that lock-up periods or repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Funds' ability to meet redemption requests. Furthermore, as the China Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the China Custodian in case of non-compliance with the QFI regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholders as soon as practicable after completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Managers' control.

Risk pertaining to cash deposited with China Custodian - Investors should note that cash deposited in the cash accounts of the Funds with the China Custodian will not be segregated but will be a debt owing from the China Custodian to the Funds as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the China Custodian. In the event of bankruptcy or liquidation of the China Custodian, the Funds will not have any proprietary rights to the cash deposited in such cash accounts, and the Funds will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the China Custodian. The Funds may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Funds will suffer losses. The Funds may lose the total amount deposited with the China Custodian and suffer a loss.

PRC Brokerage Risk - The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC brokers and/or the China Custodian. There is a risk that the Funds may suffer losses from the default, bankruptcy or disqualification of the PRC brokers and/or the China Custodian. In such event, the Funds may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In selection of PRC brokers, the QFI Holders will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI Holders consider appropriate, it is possible that a single PRC Broker will be appointed and the Funds may not necessarily pay the lowest commission available in the market.

48. China - Repatriation and Liquidity Risks

There are currently no restrictions on repatriation of proceeds out of China for Funds invested in onshore securities. There is however no assurance that repatriation will not be subject to stricter rules and restrictions due to a change in the current regulations. This may impact the liquidity of the Fund and its ability to meet redemption requests upon demand.

49. China Interbank Bond Market Risks

The on-shore China bond market mainly consists of the interbank bond market and the exchange listed bond market. The CIBM is an OTC market established in 1997. Currently, more than 90% of CNY bond trading activity takes place in the CIBM, and the main products traded in this market include government bonds, enterprise bonds, policy bank bonds, and medium term notes.

The CIBM is in a stage of development and internationalisation. Market volatility and potential lack of liquidity due to low trading volume may result in prices of certain debt securities traded on such market fluctuating significantly. Funds investing in such market are therefore subject to liquidity and volatility risks and may suffer losses in trading on-shore China bonds. In particular, the bid and offer spreads of the prices of on-shore China bonds may be large, and the relevant Funds may therefore incur significant trading and realisation costs when selling such investments.

To the extent that a Fund transacts in the CIBM in on-shore China, the Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

The CIBM is also subject to regulatory risks.

50. China Bond Connect

Some Funds can, in accordance with their investment policy, invest in the CIBM via the Bond Connect (as described below).

The Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depositary & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the northbound trading of the Bond Connect ("Northbound Trading Link"). There will be no investment quota for the Northbound Trading Link.

Pursuant to the prevailing regulations in mainland China an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the People's Bank of China (currently recognised onshore custody agents are the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Because the Central Moneymarkets Unit is only a nominee holder and not the beneficial owner of the securities, in the unlikely event that the Central Moneymarkets Unit becomes subject to winding up proceedings in Hong Kong, investors should note that securities will not be regarded as part of the general assets of the Central Moneymarkets Unit available for distribution to creditors even under the PRC law. However, the Central Moneymarkets Unit will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in securities in the PRC. A failure or delay by the Central Moneymarkets Unit in the performance of its obligations may result in a failure of settlement, or the loss, of securities and/or monies in connection with them and the relevant Funds and its Investors may suffer losses as a result. Neither the Funds nor the Investment Manager or any Sub-Investment Manager shall be responsible or liable for any such losses.

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 or other third parties (as the case may be). As such, the Funds are subject to the risks of default or errors on the part of such third parties.

Trading in securities via Bond Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Fund may suffer delays in recovering its losses or may not be able to fully recover its losses. Investing in the CIBM via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Funds' ability to invest in the CIBM will be adversely affected. In such event, the Funds' ability to achieve its investment objective will be negatively affected.

There is no specific written guidance by 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.

51. Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

All Funds which can invest in China 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 Stock Connect is a securities trading and clearing linked programme developed by The Stock Exchange of Hong Kong Limited (“SEHK”), 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. The Stock Connect allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers.

The Funds seeking to invest in the domestic securities markets of the PRC may use the Stock Connect, in addition to the QFI schemes and, thus, are subject to the following additional risks:

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 Funds. The Stock Connect requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in Hong Kong and Shanghai/Shenzhen markets through Stock Connect could be disrupted.

Clearing and Settlement Risk: The HKSCC and ChinaClear 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: Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local Central Securities Depositaries, HKSCC and ChinaClear.

As in other emerging and less developed markets, the legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or custodian as registered holder of Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently the Funds and the Depositary cannot ensure that the Funds ownership of these securities or title thereto is assured.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Funds will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Funds suffer losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Funds may not fully recover its losses or its 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 Funds may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

Quota Limitations: The Stock Connect is subject to quota limitations which may restrict the Funds ability to invest in China A-Shares through the Stock Connect on a timely basis.

Investor Compensation: The Funds will not benefit from local investor compensation schemes. 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 Funds cannot carry out any China A-Shares trading. The Funds may be subject to risks of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result.

Investment Risk: securities traded via Shenzhen-Hong Kong Stock Connect may be smaller companies which are subject to Smaller Companies Risk as detailed earlier in this Appendix.

52. Risks associated with the Science and Technology Innovation Board (STAR Board) and/or ChiNext market

A Fund may invest in the Science, Technology and Innovation board ("STAR Board") of the Shanghai Stock Exchange ("SSE") and/or the ChiNext market of the SZSE via the Shenzhen Hong Kong Stock Connect. Investments in the STAR Board, and/or ChiNext market may result in significant losses for a Fund and its investors. The following additional risks apply:

– *Higher fluctuation on stock prices*

Listed companies on the STAR Board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices, may have limited liquidity due to higher entry thresholds for investors, and have higher risks and turnover ratios than companies listed on the main board of the SZSE or SSE as relevant.

– *Over-valuation risk*

Stocks listed on the STAR Board and/or ChiNext market may be overvalued and such exceptionally high valuation may not be sustainable. Stock prices may be more susceptible to manipulation due to fewer circulating shares.

– *Differences in regulations*

The rules and regulations regarding companies listed on ChiNext market and/or the STAR Board market are less stringent in terms of profitability and share capital than those in the main boards.

– *Delisting risk*

It may be more common and faster for companies listed on the STAR Board and/or ChiNext to delist. This may have an adverse impact on a Fund if the companies that it invests in are delisted.

– *Concentration Risk (applicable to STAR Board)*

The STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments by a Fund in the STAR Board may be concentrated in a small number of stocks and subject a Fund to higher concentration risk.

53. Taxes associated with investing in mainland China

Income and gains derived from trading China A-Shares

The Ministry of Finance of the PRC, the State of Administration of Taxation of the PRC and the CSRC jointly issued circulars in relation to the taxation rules on the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect under Circular Caishui [2014] No.81 ("Circular 81") and Circular Caishui [2016] No. 127 ("Circular 127") on 14 November 2014 and 1 December 2016 respectively. Under Circular 81 and Circular 127, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by overseas investors on the trading of China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect with effect from 17 November 2014 and 5 December 2016 respectively. However, overseas investors are required to pay withholding income tax (WIT) on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the listed companies. Dividends from China A-Shares are not within the charging scope of Value-Added Tax (VAT).

Interest income from bonds / debt securities issued in mainland China

On 22 November 2018, the Ministry of Finance ("MOF") and State Taxation Administration ("STA") of the PRC jointly issued circular Caishui [2018] No. 108 ("Circular 108") to address the tax issues in relation to bond interest income received by foreign institutional investors from investments in the PRC bond market. Under Circular 108, non-PRC tax residents without a permanent establishment (PE) in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE), bond interest income received from 7 November 2018 to 6 November 2021 will be temporarily exempt from WIT and VAT. This is regardless of whether the non-PRC tax residents invest in the PRC bond market through QFI and/or Bond Connect. Circular 108 did not specify the WIT and VAT treatments on income received by non-PRC tax residents from investment in other fixed income securities (such as asset-backed securities, certificates of deposits, etc.).

Gains derived from trading bonds / debt securities issued in mainland China

The PRC tax authorities have verbally indicated, on numerous occasions, that capital gains realised by non-PRC tax residents from the disposal of PRC debt securities are considered non-PRC sourced income and hence not subject to PRC WIT. There is no specific written tax regulation to confirm this but, in practice, the PRC tax authorities have not actively enforced the collection of PRC WIT on gains realised by non-PRC tax residents from the disposal of PRC debt securities.

VAT treatment of gains derived from trading securities in China

Gains realised from the trading of marketable securities in the PRC are generally subject to VAT at 6%; however, various Circulars issued by the authorities provide for exemptions from VAT for non-PRC tax residents investing via QFI, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and/or Bond Connect.

54. Hedged Share Class Risks

Share Classes, where available, may be offered in various currencies (each a "Reference Currency") at the Directors' discretion. Share Classes may be a currency denominated or currency hedged Share Class and they will be designated as such. Currency hedged Share Classes are offered in a currency other than the Fund Currency, with the exception of the BRL Hedged Share Class which is denominated in the Fund Currency. Due to currency controls in Brazil, the BRL Hedged Share Class uses a different hedging model to the other currency hedged Share Classes. For more information about the BRL Hedged Share Class see further "Currency and Hedging policy" below.

The aim of a hedged Share Class is to provide an Investor with the performance returns of the Fund's investments by reducing the effects of exchange rate fluctuations between the Fund Currency and the Reference Currency. As a result the performance of hedged Share Classes aims to be similar to the performance of equivalent Share Classes in Fund Currency. The hedged Share Class will not remove the interest rate differences between the Fund Currency and Reference Currency as the pricing of the hedging transactions will, at least in part, reflect those interest rate differences. There is no assurance that the hedging strategies employed will be effective in fully eliminating the currency exposure to the Reference Currency thereby delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

It should be noted that, where relevant, these hedging transactions may be entered into whether the Reference Currency is declining or increasing in value relative to the relevant Fund Currency and so, where such hedging is undertaken it may substantially protect Investors in the relevant Share Class against a decrease in the value of the Fund Currency relative to the Reference Currency, but it may also preclude Investors from benefiting from an increase in the value of the Fund Currency.

55. Sustainability Risks

The Investment Manager takes sustainability risks into account in the management of each Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Fund. An example of an environmental risk is the increased likelihood of flooding due to climate change and the associated rise in sea levels. Flooding could affect a variety of issuers such as real estate companies and insurers, and could negatively impact the value of investments in those companies. An example of a social risk is the occurrence of improper working practices such as child labour. Companies that are found to have engaged in such practices, or that have engaged with suppliers that they know to have done so, may be in breach of applicable laws and/or may be perceived negatively by the market. An example of a governance risk is the need to ensure gender diversity. If a company's reporting shows a lack of diversity, or there is media coverage of discrimination within the business on the grounds of gender, this may negatively affect market sentiment with respect to the company and impact its share price. There is also the risk that new regulations, taxes or industry standards to protect

or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements.

Some Funds may have the objective of making sustainable investments and/or have environmental and/or social characteristics, which they achieve by applying sustainability criteria to the selection of investments chosen by the Investment Manager. Such criteria may vary between investment strategies. These Funds may have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. As investors may differ in their views of what constitutes a sustainable investment, such a Fund may invest in companies that do not reflect the beliefs and values of particular investors, for example, with a view to engaging with that company to improve certain aspects of its environmental, social or governance practices.

The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the sustainable investing characteristics of a particular Fund and how they are described for Investors may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

56. Distressed Securities Risk

Investment in distressed securities (i.e. securities which have a Standard & Poor's notation below CCC long-term rating or equivalent) may cause additional risks for a Fund. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value. Therefore, a Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the Fund. Under such circumstances, the returns generated from the Fund's investments may not compensate the shareholders adequately for the risks assumed.

57. Global Minimum Tax

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 EU has introduced its version of the global minimum tax rules in Council Directive (2022/2523). EU Member States were required to implement this Directive into national law by 31 December 2023 and Luxembourg implemented this via the law dated 22 December 2023, which applies to fiscal years starting on or after 31 December 2023. Other EU Member States have also implemented the Directive into their national laws.

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 the Luxembourg tax authority 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.

58. Index-tracking Risks

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 nor 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.

Appendix III

Schroder Special Situations Fund: Section 1

Fund Details

The Funds bearing an asterisk (*) next to their name are not yet launched and not available for subscription at the time of issue of this Prospectus. Such Funds will be launched at the Directors' discretion, at which time this Prospectus will be updated accordingly.

The Company is designed to give Investors the flexibility to choose between investment portfolios with differing investment objectives and levels of risk.

The investment objectives and policies described below are binding on the Investment Manager of each Fund, although there can be no assurance that an investment objective will be met.

(A) The specific investment objectives and policies of each of the Funds are subject to the following interpretation: each Fund will be actively managed and will invest, in accordance with its name or its investment policy either directly or (if stated) through derivatives in investments corresponding to the applicable currency, security, country, region or industry stated in the investment objective or investment policy.

When a Fund states that it invests at least two-thirds of its assets in a certain way (i) the percentage is indicative only as, for example, the Investment Manager 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 the Investment Manager's view to do so would be in the best interests of the Fund and its shareholders; 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 of its assets (e.g. 80%) in a certain way, such assets include cash or other liquidities which are not used as backup for derivatives.

Where a Fund states that it invests at least a specific percentage of its assets in a certain way, the reference to "assets" should be understood as a reference to the relevant Fund's net assets or Net Asset Value.

Where a Fund states that it invests at least a specific percentage of its assets (i) in sustainable investments as defined under SFDR; or (ii) to attain the environmental or social characteristics promoted by the Fund, the percentage may be breached on a temporary basis in exceptional circumstances, for example, the Investment Manager may adjust the Fund's exposure in response to adverse market and/or economic conditions and/or expected volatility, when in the Investment Manager's view to do so would be in the best interests of the Fund and its Shareholders.

The remaining one-third of the Fund's assets (excluding liquidities which are not used as backup for derivatives) may be invested in other currencies, securities, countries, regions or industries, either directly or through derivatives or as otherwise stated.

A Fund will not hold more than 5% of its assets in each of the following asset classes: distressed securities, asset backed securities / mortgage backed securities, commodities related instruments, catastrophe bonds or special purpose acquisition vehicles unless disclosed in the investment policy.

In the case of a Fund which may invest in other Investment Fund(s), the target fund(s) may have different investment strategies or restrictions to the Fund. Where a Fund states that it may invest in Investment Funds, this may include Schroder Funds.

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

(A) The Investment Managers may invest directly in Russian securities that are traded on the Moscow Exchange. For details of the risk involved in dealing on these exchanges please refer to Appendix II. Additionally, exposure to the Russian market may be achieved through investments in American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

(B) A Fund will not hold more than 5% of its assets in transferable securities traded on the CIBM (including via Bond Connect) or any other Chinese Regulated Market or in China A-Shares 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 Objective" and "Investment Policy".

(C) Each Bond Fund and Multi-Asset Fund, unless otherwise specified in Appendix III, may invest up to 5% in contingent convertible bonds. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".

(D) Expected level of leverage

Funds quantifying global exposure using a Value-at-Risk (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 derivatives 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 derivatives 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 derivatives. As a result, derivative roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase in the level of leverage when they do not increase, or only cause a moderate increase in 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.

(E) Any exposure to commodities including precious metals for a Fund may indirectly be obtained through related (i) transferable securities, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of this asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and/or (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and (vi) derivatives on eligible assets as described under (i) – (v).

(F) Derivatives should be dealt in on a Regulated Market or OTC.

Transferable securities, Money Market Investments, units of closed-ended investment companies, financial instruments linked or backed to the performance of other assets should be dealt in on a Regulated Market. If not, they will be restricted to 10% of the Net Asset Value of any Fund together with any other investments made in accordance with investment restriction 1. A(7) in Appendix I.

(G) Use of derivatives

The use of derivatives for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".

Equity Funds (Mainstream Equity Funds, Specialist Equity Funds, Alpha Equity Funds, Quantitative Equity Funds)

Each Equity Fund may employ derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently in accordance with its investment policy and risk profile as disclosed below. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related derivatives and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.

Asset Allocation Funds

Each Asset Allocation Fund may employ derivatives for hedging and investment purposes in accordance with its risk profile as disclosed below. Derivatives may be employed for instance to generate additional exposure through long or covered short positions to asset classes such as, but not limited to, equity, fixed income, credit, currencies as well as property and commodity indices. They can be used to generate additional income through inflation or volatility linked derivatives. Derivatives could also be employed to create synthetic instruments. Such derivatives include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

Multi-Asset Funds

Each Multi-Asset Fund may employ derivatives for hedging and investment purposes. These derivatives may be used to gain exposure to a wide range of asset classes including, but not limited to, currencies, real estate, infrastructure and commodities. Such derivatives include, but are not limited to, over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

Multi-Manager Funds

Each Multi-Manager Fund may employ derivatives to gain exposure to a wide range of asset classes including Alternative Asset Classes.

Absolute Return Funds and Bond Funds (Mainstream Bond Funds and Specialist Bond Funds)

Each Absolute Return Fund and Bond Fund may employ derivatives for hedging and investment purposes in accordance with its risk profile as disclosed below. Derivatives may be employed for instance to generate additional income from exposure to credit risk in purchasing or selling protection through credit default swaps, adjusting the Fund's duration through the tactical use of interest related derivatives, generating additional income through inflation or volatility linked derivatives or increasing its currency exposure through the use of currency related derivatives. Derivatives could also be employed to create synthetic instruments. Such derivatives include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

Money Market Funds

Money Market Funds may use derivatives for hedging currency and interest rate risk only.

(H) When the investment policy of a Fund refers to "Alternative Asset Classes", it may include the following: real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds.

Real estate, infrastructure, private equity

The investment in such asset classes will mainly be obtained indirectly through related (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds and (iii) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008. The investment in real estate may be obtained through REITs.

Commodities including precious metals

The investment in such asset classes will mainly be obtained indirectly through related (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of this asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and (vi) derivatives on eligible assets as described under (i) – (v).

Alternative Investment Funds

Alternative Investment Funds refer to the "hedge funds" strategies such as long/short, event driven, tactical trading and relative value strategies. The exposure will mainly be obtained indirectly through related (i) units of closed-ended investment funds, (ii) financial instruments linked or backed to the performance of these strategies, (iii) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (iv) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592.

Transferable securities (including units of closed-ended investment funds, financial instruments linked or backed to the performance of other assets) and, Money Market Investments should be dealt on a Regulated Market. If not, they will be restricted to 10% of the Net Asset Value of any Fund together with any other investments made in accordance with investment restriction 1. A(9) in Appendix I.

Where a transferable security embeds a derivative, the rules detailed in section "3. Derivatives" of Appendix I, apply.

Benchmarks of the Funds

Where a Fund's details include a benchmark, this has been chosen for the following reasons:

- for a comparator benchmark, the benchmark has been selected because it is suitable comparison for performance purposes;
- For a target benchmark that is a Financial Index, the benchmark has been selected because it is representative of the types 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;
- 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. The Fund may also show a comparator benchmark where the Investment Manager believes that this is a suitable comparison for performance purposes;
- 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 and policy.

Where a Fund's investment objective refers to meeting or exceeding a target benchmark before or after fees have been deducted over a stated period, this is the period over which an investor should assess a Fund's performance. A Fund may not only be suitable for investors whose investment horizons are the same as the stated period.

In relation to currency hedged Share Classes, currency hedged versions of the benchmarks (including currency equivalent cash benchmarks) may be used.

Sustainability scores

Where a Fund's investment policy states that the Fund will achieve a certain sustainability score (whether overall, or in relation to a particular measure such as carbon intensity) compared to a named benchmark, this does not mean that the Fund is constrained by, or seeks to achieve a financial return relative to that benchmark unless otherwise stated. For any Fund that has the objective of sustainable investment or has environmental or social characteristics, details of how the Fund attains that objective or those characteristics are disclosed in the Fund's investment policy and in Appendix V.

Any sustainability score or other threshold specified, will be measured over a period that the Investment Manager deems appropriate to that measure. For example, where a Fund's investment policy states that the Fund will maintain a higher overall sustainability score than a named benchmark, this means that the Fund's weighted average score using one of the Investment Manager's proprietary sustainability tools over the previous six month period will be higher than the benchmark's score over the same period, based on month-end data. Where a Fund's investment policy states that the Fund will maintain a positive absolute sustainability score, this means that the Fund's weighted average score using one of the Investment Manager's proprietary sustainability tools over the previous six month period will be higher than zero over the same period, based on month-end data.

Schroders' proprietary sustainability tools generate scores by using certain metrics and how scores are generated may change over time. Schroders' proprietary sustainability tools may utilise third party data (including third party estimates) as well as our own modelling assumptions, and the outcome may differ from other sustainability tools and measures. Schroders cannot confirm the accuracy, completeness and adequacy of such third party data and estimates. Generating scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and, as Schroders' proprietary sustainability tools evolve, changes made to how metrics are applied may result in changes to the score of any issuer and ultimately the overall fund/ portfolio score. At the same time, of course, the issuer's performance might improve or deteriorate. An issuer will be scored across applicable metrics and may score higher or lower on some metrics than on others. The scores are combined to provide an overall net score for the issuer.

Schroders' proprietary sustainability tools may not cover all of the Fund's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash) are treated as neutral and are therefore not considered by our proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by our proprietary tools and if so would be excluded from the Fund's sustainability score. This would mean that the environmental and/or social characteristics or

sustainable investment objective of the Fund (as applicable) would not apply to positions held by the Fund in such assets.

Share Classes

Each Fund may contain any of the Share Classes listed within this section.

The Directors may decide to create within each Fund different Share Classes whose assets will be commonly invested pursuant to the specific investment policy of the relevant Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Share Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Share Class.

Please note that not all Distributors offer all Share Classes.

Shares are generally issued as Accumulation Shares. Distribution Shares will only be issued within any Fund at the Directors' discretion. Investors may enquire at the Management Company or their Distributor whether any Distribution Shares are available within each Share Class and Fund. Distribution Share classes may be issued with different distribution frequencies or attributes within the same fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed or **V** = variable

Currency carry [1]: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Share Class name.

Subject to the Management Company's discretion, the particular features of each Share Class are as follows:

1. General Share Classes

A and B Shares

A and B Shares will be available to all Investors. A and B Shares fees for each Fund are separately disclosed in the Fund details.

AX and A1 Shares

AX and A1 Shares will only be available to Investors who at the time the relevant subscription order is received are customers of certain Distributors appointed specifically for the purpose of distributing the AX and A1 Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors. AX and A1 Shares fees for each Fund are separately disclosed in the Fund details.

C, CB, CN and CX Shares

C, CB, CN and CX Shares are available to Institutional Investors. C, CB, CN and CX Shares are also available to mutual funds and such distributors which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

CX Shares will have different characteristics from C Shares such as different distribution policy.

C, CN and CX Shares fees for each Fund are separately disclosed in the Fund details. CB Shares will have the same Annual Distribution Charge, initial charge and Annual Management Charge as C Shares.

CI Shares

CI Shares are available to Institutional Investors.

The Company will not issue, or effect any switching of CI Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for CI Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of CI Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

CI Shares fees for each Fund are separately disclosed in the Fund details.

D Shares

D Shares will only be available to Investors who at the time the relevant subscription order is received are customers of certain Distributors appointed specifically for the purpose of distributing the D Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors.

No initial charge will be payable by an Investor on the acquisition of D Shares of any Fund. However some charges, for example redemption or administration charges may be deducted by the Distributor from the redemption proceeds as agreed separately between the Shareholders and the Distributor. Shareholders should check with the respective Distributors for details of the arrangement.

Investors in D Shares will not be permitted to switch the holding of such Shares into other Share Classes, nor will they be permitted to transfer such Shares from one Distributor to another.

D Shares fees for each Fund are separately disclosed in the Fund details.

E Shares

E Shares are available to Institutional Investors as well as mutual funds and such distributors which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

[1] This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged share class is higher than the fund's base currency interest rate. Consequently when the interest rate of a currency hedged share class is lower than the fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the fund's investment objective or investment policy.

The E Shares will only be available until the total Net Asset Value of all available Share Classes within a Fund reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency, or any other amount as specifically determined by the Management Company.

Once the total Net Asset Value of the Share Classes available in a Fund, ordinarily, reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency or any other amount as specifically determined by the Management Company, the E Share Classes in that Fund will be closed to Investors for subscriptions. The Management Company may re-open the E Share Classes at its discretion without notice to Shareholders.

E Shares fees for each Fund are separately disclosed in the Fund details.

IZ, IA, IB, IC, ID Shares

IZ, IA, IB, IC, ID Shares will only be available in certain limited circumstances to certain investors who:

(A) have the agreement of the Management Company;

(B) have a significant investment in the relevant Fund as determined by the Management Company, and

(C) are Institutional Investors.

When an Investors' assets in IZ, IA, IB, IC, ID Shares fall significantly the Management Company may then reject additional subscriptions into the relevant Share Class. The level of significance will be determined by the Management Company.

No Annual Distribution Charge will be payable by an Investor on the acquisition of IZ, IA, IB, IC, ID Shares of any Fund.

The Company will not issue, or effect any switching of, IZ, IA, IB, IC, ID Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IZ, IA, IB, IC, ID Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of IZ, IA, IB, IC, ID Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

IZ, IA, IB, IC, ID Shares fees for each Fund are separately disclosed in the Fund details.

IE Shares

IE Shares will only be offered to Investors who are Institutional Investors.

The Company will not issue, or effect any switching of, IE Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IE Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of IE Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of IE Shares of any Fund.

IE Shares will only be available until the total Net Asset Value of all available Share Classes within a Fund reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency, or any other amount as specifically determined by the Management Company.

Once the total Net Asset Value of the Share Classes available in a Fund, ordinarily, reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency or any other amount as specifically determined by the Management Company, the IE Share Classes in that Fund will be closed to Investors for subscriptions. The Management Company may re-open the IE Share Classes at its discretion without notice to Shareholders.

Z Shares

With the prior agreement of the Management Company Z shares may be offered in certain limited circumstances (i) for distribution in certain countries and through certain Distributors who have separate fee arrangements with their clients and/or (ii) to professional investors.

Z Shares fees for each Fund are separately disclosed in the Fund details.

2. Bespoke Share Classes

F Shares

F Shares will only be available to Investors who at the time the relevant subscription order is received are Singapore Investors utilizing the Central Provident Fund ("CPF") to subscribe into the Company. This Share Class may also be available to Singaporean funds of funds and investment-linked insurance product sub-funds which are included under Singapore's CPF investment scheme.

Administrative charges may be deducted by the relevant CPF administrators. Shareholders should check with their CPF administrators for details of the arrangement.

Investors in F Shares will not be permitted to switch the holding of such Shares into other Share Classes, nor will they be permitted to switch into Shares of other Funds.

No Annual Distribution Charge or initial charge will be payable by any Investor on the acquisition of F Shares of any Fund.

The Annual Management Charge for F Shares will be up to 1.5% per annum.

F Shares are only available for subscription in SGD.

I Shares

I Shares will only be offered to Investors:

(A) who, at the time the relevant subscription order is received, are clients of Schroders with an agreement covering the charging structure relevant to the clients' investments in such Shares, and

(B) who are Institutional Investors.

The Company will not issue, or effect any switching of, I Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for I Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of I Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

As I Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of Schroders and is charged Annual Management Charges directly by Schroders, no Annual Management Charges will be payable in respect of I Shares out of the net assets of the relevant Fund. I Shares will bear their pro-rata share of the fees payable to the Depositary and the Management Company, as well as of other charges and expenses.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of I Shares of any Fund.

IS Shares

IS Shares will only be offered to Investors who are Institutional Investors.

IS Shares are only available at the Management Company's discretion to certain institutional clients of the Schroder Group's wealth management business and other connected parties of the Investment Manager and its affiliates. Before the Management Company can accept a subscription into IS Shares by a client of the Schroder Group's wealth management business, a legal agreement must be in place between that client and the Schroder Group's wealth management business containing terms specific to investment in IS Shares.

In the event that a Shareholder of Class IS Shares that is a client of the Schroder Group's wealth management business ceases to be a client of the Schroder Group's wealth management business, the Shareholder will cease to be eligible to hold Class IS Shares and the Management Company will compulsorily switch the Shareholder into the most appropriate Share Class of the same Fund. This means that the switch of Class IS Shares will be automatic without the need for Shareholders to submit a switching request to the Transfer Agent.

The Company will not issue, or effect any switching of, IS Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IS Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of IS Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of IS Shares of any Fund.

Applications for subscriptions into Class IS Shares will be accepted at the Management Company's discretion.

J Shares

J Shares will only be offered to, and can only be acquired by Japanese Fund of Funds, which are Institutional Investors. "Japanese Fund of Funds" means an investment trust or investment corporation that is established under the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951, as amended) of Japan (an "investment trust") the purpose of which is to invest its assets only in beneficial interests in other investment trusts or shares of investment corporations or collective investment schemes similar thereto established under the laws of any country other than Japan.

The Company will not issue any J Shares to any Investor who is not a Japanese Fund of Funds or permit any J Share to be switched to share(s) of any other Share Class of the Company. The Directors may, at their discretion, refuse to accept any application for subscription for J Shares until and unless the Transfer Agent notifies the Directors that it is satisfied that the applicant for subscription is a Japanese Fund of Funds.

As J Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of Schroders and is charged Annual Management Charges directly by Schroders, no Annual Management Charges will be payable in respect of J Shares out of the net assets of the relevant Fund. J Shares will bear their pro-rata share of the fees payable to the Depositary and the Management Company, as well as of other charges and expenses.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of J Shares of any Fund.

K1 Shares

Will only be available in certain limited circumstances to certain distributors who:

(A) have entered into an agreement with the Management Company relevant to such Shares;

(B) have a significant investment in the relevant Fund as determined by the Management Company; and

(C) who according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

When an Investor's assets in K1 Shares fall significantly the Management Company may then reject additional subscriptions into the relevant Share Class. The level of significance will be determined by the Management Company. No Annual Distribution Charge will be payable by an investor on the acquisition of K1 Shares of any Fund. K1 Shares may charge an Annual Management Charge up to 1.5% per annum and an initial charge up to 1%.

K2 Shares

Will only be available in certain limited circumstances to certain investors and distributors who

(A) have the agreement of the Management Company;

(B) have a significant investment in the relevant fund as determined by the Management Company; and

(C) who are Institutional Investors.

When an Investor's assets in K2 Shares fall significantly the Management Company may then reject additional subscriptions into the relevant Share Class. The level of significance will be determined by the Management Company. No Annual Distribution Charge will be payable by an investor on the acquisition of K2 Shares of any Fund. K2 Shares may charge an Annual Management Charge up to 1.5% per annum and an initial charge up to 1%.

R Shares

R Shares do not qualify as Reporting Funds for taxation purposes under the UK offshore fund rules (see Section 3.4). R Shares are only available at the Management Company's discretion to Investors who have been issued Shares pursuant to a merger or similar activity with another fund whereby the Investor's holding in such fund did not qualify as a Reporting Fund for the purposes of the UK offshore fund rules. R Shares may only be issued by the Management Company in these circumstances as part of the merger or similar activity. Holders of R Shares are not permitted to top up their investment in R Shares and are not permitted to switch their R Shares into other Share Classes. R Shares are not available to Investors (new and existing) in any other circumstance than those described above.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of R Shares of any Fund. The Annual Management Charge for R Shares will be up to 1.5% per annum.

S Shares

S Shares are only available at the Management Company's discretion to certain clients of the Schroder Group's wealth management business, to staff and other connected parties of the Investment Manager, and staff of the Management Company and its affiliates. Before the Management Company can accept a subscription into S Shares by a client of the Schroder Group's wealth management business, a legal agreement must be in place between that client and the Schroder Group's wealth management business containing terms specific to investment in S Shares.

In the event that a Shareholder of Class S Shares that is a client of the Schroder Group's wealth management business ceases to be a client of the Schroder Group's wealth management business, the Shareholder will cease to be eligible to hold Class S Shares and the Management Company will compulsorily switch the Shareholder into the most appropriate Share Class of the same Fund. This means that the switch of Class S Shares will be automatic without the need for Shareholders to submit a switching request to the Transfer Agent. Therefore, by subscribing for Class S Shares, Shareholders irrevocably permit the Management Company to switch Class S Shares on their behalf should they cease to be a client of the Schroder Group's wealth management business.

There is no minimum initial subscription, additional subscription or holding amount. No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of S Shares of any Fund. The Annual Management Charge for S Shares will be up to 1.5% per annum.

Applications for subscriptions into Class S Shares will be accepted at the Management Company's discretion.

U Shares

U Shares will only be available, with the prior agreement of the Management Company, through certain Distributors. U Shares will only be available for distribution in non-EEA countries.

No initial charge will be payable by an Investor on the acquisition of U Shares of any Fund. Instead a contingent deferred sales charge ("CDSC") may be payable to the Management Company or such other party as the Management Company may from time to time appoint. Where U Shares are redeemed within 3 years of the date of their issue, the redemption proceeds will be subject to a CDSC at the rates set out in the table below:

Redemption during years since issue	Applicable Rate of CDSC
1st Year	Up to 3%
2nd Year	Up to 2%
3rd Year	Up to 1%

The applicable rate of CDSC is determined by reference to the total length of time during which the Shares being redeemed (including the U Shares from which they were derived (if any) as a result of a switch from another Fund) were in issue. In case a Shareholder holds U shares which have been subscribed and issued at different periods of time, the applicable rate of CDSC will depend on which shares are to be redeemed according to the Shareholder's instructions. Dividends paid on U distribution Share Classes cannot be automatically reinvested and will be paid in cash.

The amount of CDSC is calculated by multiplying the relevant percentage rate as determined above by the lower of a) the Net Asset Value per Share of the Shares being redeemed on the relevant Dealing Day or b) the cost paid for the original issue of Shares being redeemed or for the U Shares of another Fund from which those Shares were switched, in either case calculated in the relevant dealing currency of the Shares being redeemed.

Investors in U Shares will not be permitted to switch the holding of such Shares into other Share Classes, nor will they be permitted to transfer such Shares from one Distributor to another. However, holdings in U Shares will be converted automatically into A Shares or AX Shares (as appropriate) of the same Fund free of charge on the scheduled conversion date (to be fixed by the Management Company) of each month in which the third anniversary of issue of such Shares occurs on the basis of the respective Net Asset Value per Share of the relevant U Shares and A Shares or AX Shares (as applicable). This conversion may give rise to a tax liability for Investors in certain jurisdictions.

Investors should consult their tax adviser about their own position. Investors in other Share Classes will not be permitted to switch the holding of such Shares into U Shares.

In all instances of switching that involve U Shares into another U Share Class, the age of the old U Shares will carry over and continue in the new U Shares. No CDSC or switching charge is payable at the time of a switch of U Shares to U Shares in another Fund.

All Fund charges will be the same as those of the A Share, with the exception that the U Shares will not be subject to an initial charge, but will be subject to the CDSC (if applicable) and an Annual Distribution Charge of 1%, calculated and accrued daily by reference to the Net Asset Value per Share of such Shares and paid monthly to the Management Company or such other party as the Management Company may appoint from time to time.

X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares

X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares will only be available, with prior agreement of the Management Company, to Institutional Investors.

The Company will not issue, or effect any switching of, X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares to any Investor who may not be considered an Institutional Investor. The Directors of the Company may, at their discretion, delay the acceptance of any subscription for X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares of any Fund. The Annual Management Charge for X, X1, X2 Shares will be up to 1%, up to 1.3% and up to 1.4%, respectively, per annum. The Annual Management Charge for X3, X4, X5, X6, X7, X8, X9 shares will be up to 1.5% per annum.

Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares

Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares are only available at the Management Company's discretion to certain clients of Schroders. Before the Management Company can accept a subscription into Y Shares, a legal agreement must be in place between the Investor and Schroders containing terms specific to investment in Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares of any Fund. The Annual Management Charge for Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares will be up to the equivalent A share Annual Management Charge of the relevant fund.

Applications for subscriptions into Y Shares will be accepted at the Management Company's discretion.

3. Minimum Subscription Amount, Minimum Additional Subscription Amount and Minimum Holding Amount

Minimum subscription amount, minimum additional subscription amount and minimum holding amount per Share Class are listed below and are in USD, EUR or their near equivalent in any other freely convertible currency.

Share Classes	Minimum Subscription Amount		Minimum Additional Subscription Amount		Minimum Holding Amount	
	USD	EUR	USD	EUR	USD	EUR
A	1,000	1,000	1,000	1,000	1,000	1,000
AX	1,000	1,000	1,000	1,000	1,000	1,000
A1	1,000	1,000	1,000	1,000	1,000	1,000
B	1,000	1,000	1,000	1,000	1,000	1,000
C	1,000	1,000	1,000	1,000	1,000	1,000
CB	500	500	500	500	500	500
CI	5,000,000	5,000,000	2,500,000	2,500,000	5,000,000	5,000,000
CN	1,000	1,000	1,000	1,000	1,000	1,000
CX	1,000	1,000	1,000	1,000	1,000	1,000
D	1,000	1,000	1,000	1,000	1,000	1,000
E	1,000	1,000	1,000	1,000	1,000	1,000
F*	1,000	1,000	1,000	1,000	1,000	1,000
I	5,000,000	5,000,000	2,500,000	2,500,000	5,000,000	5,000,000
IE	5,000,000	5,000,000	2,500,000	2,500,000	5,000,000	5,000,000
IS	5,000,000	5,000,000	2,500,000	2,500,000	5,000,000	5,000,000
IZ	100,000,000	100,000,000	20,000,000	20,000,000	100,000,000	100,000,000

Share Classes	Minimum Subscription Amount		Minimum Additional Subscription Amount		Minimum Holding Amount	
IA	250,000,000	250,000,000	20,000,000	20,000,000	250,000,000	250,000,000
IB	300,000,000	300,000,000	20,000,000	20,000,000	300,000,000	300,000,000
IC	350,000,000	350,000,000	20,000,000	20,000,000	350,000,000	350,000,000
ID	400,000,000	400,000,000	20,000,000	20,000,000	400,000,000	400,000,000
J	5,000,000	-	2,500,000	-	5,000,000	-
K1	There is no minimum initial subscription, additional subscription or holding amount					
K2	There is no minimum initial subscription, additional subscription or holding amount					
R	There is no minimum initial subscription, additional subscription or holding amount					
S	There is no minimum initial subscription, additional subscription or holding amount					
U	1,000	1,000	1,000	1,000	1,000	1,000
X	-	25,000,000	-	12,500,000	-	25,000,000
X1	-	22,500,000	-	12,500,000	-	22,500,000
X2	-	20,000,000	-	12,500,000	-	20,000,000
X3	-	17,500,000	-	12,500,000	-	17,500,000
X4	-	25,000,000	-	12,500,000	-	25,000,000
X5	-	25,000,000	-	12,500,000	-	25,000,000
X6	-	25,000,000	-	12,500,000	-	25,000,000
X7	-	25,000,000	-	12,500,000	-	25,000,000
X8	-	25,000,000	-	12,500,000	-	25,000,000
X9	-	25,000,000	-	12,500,000	-	25,000,000
Y	1,000	1,000	1,000	1,000	1,000	1,000
Y1	1,000	1,000	1,000	1,000	1,000	1,000
Y2	1,000	1,000	1,000	1,000	1,000	1,000
Y3	1,000	1,000	1,000	1,000	1,000	1,000
Y4	1,000	1,000	1,000	1,000	1,000	1,000
Y5	1,000	1,000	1,000	1,000	1,000	1,000
Y6	1,000	1,000	1,000	1,000	1,000	1,000
Y7	1,000	1,000	1,000	1,000	1,000	1,000
Y8	1,000	1,000	1,000	1,000	1,000	1,000
Y9	1,000	1,000	1,000	1,000	1,000	1,000
Z	100,000,000	100,000,000	20,000,000	20,000,000	100,000,000	100,000,000

These minima may be waived at the Directors' discretion from time to time.

*F Shares are only available for subscription in SGD.

4. Currency and Hedging policy

The above Share Classes, where available, may be offered in various currencies (each a "Reference Currency") at the Directors' discretion. Share Classes may be currency denominated or currency hedged Share Class and they will be designated as such. Currency hedged Share Classes are offered in a currency other than the Fund Currency, with the exception of the BRL Hedged Share Class which is denominated in the Fund Currency.

The aim of a hedged Share Class is to provide an Investor with the performance returns of the Fund's investments by reducing the effects of exchange rate fluctuations between the Fund Currency and the Reference Currency. In this instance currency exposures or currency hedging transactions within the Fund's portfolio will not be considered. The Management Company will review hedged positions at every valuation point to ensure that (i) over-hedged positions do not exceed 105% of the Net Asset Value of the hedged Classes and (ii) under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the hedged Classes which is to be hedged against the currency risk.

Due to currency controls in Brazil, the BRL Hedged Share Class uses a different hedging model to the other currency hedged Share Classes. The BRL Hedged Share Class will be denominated in the Fund Currency but offers hedged

currency exposure to BRL by applying a currency overlay, so that the Net Asset Value of the Share Class is converted to BRL. As such, the Net Asset Value of the BRL Hedged Share Class will be affected by changes in the exchange rate between BRL and the Fund Currency and as a result performance may vary significantly from other share classes within the Fund.

BRL Hedged Share Classes are designed to offer a currency hedging solution to the underlying investors of funds domiciled in Brazil and will be restricted to Investors specifically approved by the Management Company. These Brazilian funds combine the use of financial derivative instruments within the BRL Hedged Share Classes with the use of spot foreign exchange contracts at their own level to offer their investors a full BRL currency hedged investment. Any profit or loss as well as costs and expenses resulting from these hedging transactions will be reflected exclusively in the Net Asset Value of the BRL Hedged Share Class.

Confirmation of all the Funds and Share Classes available including currency denomination and hedging, as well as an up-to-date list of Share Classes with a contagion risk can be obtained from the Management Company upon request.

While the Company has taken steps to ensure that the risk of contagion between Share Classes is mitigated in order to ensure that the additional risk introduced to a Fund through the use of a derivative overlay is only borne by the Shareholders in the relevant Share Class, this risk cannot be fully eliminated.

The performance of hedged Share Classes aims to be similar to the performance of equivalent Share Classes in Fund Currency. There is no assurance however that the hedging strategies employed will be effective in delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of such additional Share Class. Similarly, any expenses arising from such hedging transactions (including a hedging charge of up to 0.03%) will be borne by the Share Class in relation to which they have been incurred.

Collateral received in connection with currency hedging transactions (and in particular currency forward transactions) on behalf of currency hedged Share Classes, may be reinvested, in compliance with the applicable investment policy and restrictions of the Funds.

It should be noted that, where relevant, these hedging transactions may be entered into whether the Reference Currency is declining or increasing in value relative to the relevant Fund Currency and so, where such hedging is undertaken it may substantially protect Investors in the relevant Share Class against a decrease in the value of the Fund Currency relative to the Reference Currency, but it may also preclude Investors from benefiting from an increase in the value of the Fund Currency.

In addition the Investment Manager may hedge the Fund Currency against the currencies in which the underlying assets of the Fund are denominated or the underlying unhedged assets of a target fund are denominated.

There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Reference Currency, or for the BRL Hedged Share Class, that the currency hedging employed will fully eliminate the currency exposure to BRL.

The Management Company will delegate some or all of its currency and hedging policy related activities described in this Prospectus to HSBC Bank Plc as its FX overlay services provider.

Specific investment objectives and investment policies of the different Funds

Schroder Special Situations Fund Fixed Maturity Bond 7

Investment Objective

The Fund aims to provide income over a fixed four year period by investing in USD-denominated fixed and floating rate securities issued by companies, governments, government agencies, and supra-nationals worldwide. The income distribution is based on the yield to maturity of the fixed income securities within the portfolio.

Investment Policy

The Fund invests its assets for a fixed four year period.

The Fund is actively managed and invests at least two-thirds of its assets in USD-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with a maturity date within the fixed four year period.

The Fund may invest up to 15% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 15% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

Benchmark

The Fund's performance should be assessed by measuring the absolute performance of the Fund over the fixed period for which the Fund is created as stated in the Fund's Investment Objective and Investment Policy.

Further Information

This Fund is categorised as "Mainstream Bond Fund".

The Key Information Documents of the Fund are available on the internet site of the Management Company (https://www.schroders.com).

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America LLC.
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds [1]	3 Business Days from the relevant Dealing Day
Redemption Charge	Up to 2% of the Net Asset Value per Share. [2]
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking income in the relative stability of the debt markets over a fixed period.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] A Redemption Charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.

Additional Information	The Fund will undergo an offering period to close on or, at the Investment Manager's discretion, after, the launch date of the Fund. Following the closure of the offering period, subscriptions will no longer be accepted.

Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 2%	None	Up to 1.5%
AX Shares	Up to 2%	None	Up to 1.5%
A1 Shares	Up to 2%	Up to 0.5%	Up to 1.5%
B Shares	None	Up to 0.6%	Up to 1.5%
C Shares	Up to 1%	None	Up to 1%
CN Shares	Up to 2%	None	Up to 1%
CX Shares	Up to 1%	None	Up to 1%
D Shares	None	1.00%	Up to 1.5%
E Shares	Up to 1%	None	Up to 0.75%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder Special Situations Fund Fixed Maturity Bond 8

Investment Objective

The Fund aims to provide income over a fixed four year period by investing in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies, and supra-nationals worldwide. The income distribution is based on the yield to maturity of the securities within the portfolio.

Investment Policy

The Fund invests its assets for a fixed four year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed four year period.

The Fund may invest up to 25% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

Benchmark

The Fund's performance should be assessed by measuring the absolute performance of the Fund over the fixed period for which the Fund is created as stated in the Fund's Investment Objective and Investment Policy.

Further Information

This Fund is categorised as "Mainstream Bond Fund".

The Key Information Documents of the Fund are available on the internet site of the Management Company (https://www.schroders.com).

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds [1]	3 Business Days from the relevant Dealing Day
Redemption Charge	Up to 2% of the Net Asset Value per Share. [2]
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] A Redemption Charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.

	Risks related to Emerging Markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus. The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking income in the relative stability of the debt markets over a fixed period.
Additional Information	The Fund will undergo an offering period to close on or, at the Investment Manager's discretion, after, the launch date of the Fund. Following the closure of the offering period, subscriptions will no longer be accepted. More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix V in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 2%	None	Up to 1.5%
AX Shares	Up to 2%	None	Up to 1.5%
A1 Shares	Up to 2%	Up to 0.5%	Up to 1.5%
B Shares	None	Up to 0.6%	Up to 1.5%
C Shares	Up to 1%	None	Up to 1%
CN Shares	Up to 2%	None	Up to 1%
CX Shares	Up to 1%	None	Up to 1%
D Shares	None	1.00%	Up to 1.5%
E Shares	Up to 1%	None	Up to 0.75%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder Special Situations Fund Fixed Maturity Bond 10

Investment Objective

The Fund aims to provide income over a fixed three year period by investing in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies, and supra-nationals worldwide. The income distribution is based on the yield to maturity of the securities within the portfolio.

Investment Policy

The Fund invests its assets for a fixed three year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed three year period.

The Fund may invest up to 20% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

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Benchmark

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C Shares	Up to 1%	None	Up to 1%
CN Shares	Up to 2%	None	Up to 1%
CX Shares	Up to 1%	None	Up to 1%
D Shares	None	1.00%	Up to 1.5%
E Shares	Up to 1%	None	Up to 0.75%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

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Schroder Special Situations Fund Fixed Maturity Bond 11

Investment Objective

The Fund aims to provide income over a fixed three year period by investing in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies, and supra-nationals worldwide. The income distribution is based on the yield to maturity of the securities within the portfolio.

Investment Policy

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Benchmark

The Fund's performance should be assessed by measuring the absolute performance of the Fund over the fixed period for which the Fund is created as stated in the Fund's Investment Objective and Investment Policy.

Further Information

This Fund is categorised as "Mainstream Bond Fund".

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Fund Characteristics

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Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 2%	None	Up to 1.5%
AX Shares	Up to 2%	None	Up to 1.5%
A1 Shares	Up to 2%	Up to 0.5%	Up to 1.5%
B Shares	None	Up to 0.6%	Up to 1.5%
C Shares	Up to 1%	None	Up to 1%
CN Shares	Up to 2%	None	Up to 1%
CX Shares	Up to 1%	None	Up to 1%
D Shares	None	1.00%	Up to 1.5%
E Shares	Up to 1%	None	Up to 0.75%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

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Schroder Special Situations Fund Fixed Maturity Bond 12

Investment Objective

The Fund aims to provide income over a fixed three year period by investing in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies, and supra-nationals worldwide. The income distribution is based on the yield to maturity of the securities within the portfolio.

Investment Policy

The Fund invests its assets for a fixed three year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed three year period.

The Fund may invest up to 25% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

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Benchmark

The Fund's performance should be assessed by measuring the absolute performance of the Fund over the fixed period for which the Fund is created as stated in the Fund's Investment Objective and Investment Policy.

Further Information

This Fund is categorised as "Mainstream Bond Fund".

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Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
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Schroder Special Situations Fund Fixed Maturity Bond 13*

Investment Objective

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Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 2%	None	Up to 1.5%
AX Shares	Up to 2%	None	Up to 1.5%
A1 Shares	Up to 2%	Up to 0.5%	Up to 1.5%
B Shares	None	Up to 0.6%	Up to 1.5%
C Shares	Up to 1%	None	Up to 1%
CN Shares	Up to 2%	None	Up to 1%
CX Shares	Up to 1%	None	Up to 1%
D Shares	None	1.00%	Up to 1.5%
E Shares	Up to 1%	None	Up to 0.75%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder Special Situations Fund Fixed Maturity Bond 14*

Investment Objective

The Fund aims to provide income over a fixed four year period by investing in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies, and supra-nationals worldwide. The income distribution is based on the yield to maturity of the securities within the portfolio.

Investment Policy

The Fund invests its assets for a fixed four year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed four year period.

The Fund may invest up to 25% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

Benchmark

The Fund's performance should be assessed by measuring the absolute performance of the Fund over the fixed period for which the Fund is created as stated in the Fund's Investment Objective and Investment Policy.

Further Information

This Fund is categorised as "Mainstream Bond Fund".

The Key Information Documents of the Fund are available on the internet site of the Management Company (https://www.schroders.com).

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds [1]	3 Business Days from the relevant Dealing Day
Redemption Charge	Up to 2% of the Net Asset Value per Share. [2]
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] A Redemption Charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.

	Risks related to Emerging Markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus. The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking income in the relative stability of the debt markets over a fixed period.
Additional Information	The Fund will undergo an offering period to close on or, at the Investment Manager's discretion, after, the launch date of the Fund. During the offering period, the Fund's Key Information Documents and other applicable pre-contractual and regulatory disclosures are made available on the webpage https://www.schroders.com/en-lu/lu/professional/ipo/. Following the closure of the offering period, subscriptions will no longer be accepted. More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix V in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 2%	None	Up to 1.5%
AX Shares	Up to 2%	None	Up to 1.5%
A1 Shares	Up to 2%	Up to 0.5%	Up to 1.5%
B Shares	None	Up to 0.6%	Up to 1.5%
C Shares	Up to 1%	None	Up to 1%
CN Shares	Up to 2%	None	Up to 1%
CX Shares	Up to 1%	None	Up to 1%
D Shares	None	1.00%	Up to 1.5%
E Shares	Up to 1%	None	Up to 0.75%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Appendix IV

Schroder Special Situations Fund: Section 2

Fund Details

The Funds bearing an asterisk (*) next to their name are not yet launched and not available for subscription at the time of issue of this Prospectus. Such Funds will be launched at the Directors' discretion, at which time this Prospectus will be updated accordingly.

The Company is designed to give Investors the flexibility to choose between investment portfolios with differing investment objectives and levels of risk.

The specific investment objectives and policies of each of the Funds are binding on the Investment Manager of each Fund, although there can be no assurance that an investment objective will be met.

The specific investment objectives and policies of each of the Funds as well as the investment objectives and policies described below are subject to the following interpretation:

(A) Each Fund will be actively managed and will invest, in accordance with its name or its investment policy either directly or (if stated) through derivatives in investments corresponding to the applicable currency, security, country, region or industry stated in the investment objective or investment policy.

- When a Fund states that it invests at least two-thirds of its assets in a certain way (i) the percentage is indicative only as, for example, the Investment Manager 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 the Investment Manager's view to do so would be in the best interests of the Fund and its shareholders; 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 of its assets (e.g. 80%) in a certain way, such assets include cash or other liquidities which are not used as backup for derivatives.

  Where a Fund states that it invests at least a specific percentage of its assets in a certain way, the reference to "assets" should be understood as a reference to the relevant Fund's net assets or Net Asset Value.

- Where a Fund states that it invests at least a specific percentage of its assets in sustainable investments as defined under SFDR; or (ii) to attain the environmental or social characteristics promoted by the Fund, the percentage may be breached on a temporary basis in exceptional circumstances, for example, the Investment Manager may adjust the Fund's exposure in response to adverse market and/or economic conditions and/or expected volatility, when in the Investment Manager's view to do so would be in the best interests of the Fund and its Shareholders.

- The remaining one-third of the Fund's assets (excluding liquidities which are not used as backup for derivatives) may be invested in other currencies, securities, countries, regions or industries, either directly or through derivatives or as otherwise stated.

- A Fund will not hold more than 5% of its assets in distressed securities, asset backed securities / mortgage backed securities, commodities related instruments, Special Purpose Acquisition Vehicles or catastrophe bonds unless specified in the investment policy.

- In the case of a Fund which may invest in other Investment Fund(s), the target fund(s) may have different investment strategies or restrictions to the Fund. Where a Fund states that it may invest in Investment Funds, this may include Schroder Funds.

- A Fund will not hold more than 5% of its assets in transferable securities traded on the CIBM (including via Bond Connect) or any other Chinese Regulated Market or in China A-Shares 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 Objective" and "Investment Policy".

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

- In respect of the Funds which under their objectives and policies invest in bonds and other fixed and floating rate securities issued by governments, government agencies, supra-national and corporate issuers worldwide, the Company may use forward currency contracts to hedge back to investment currencies and, at the same time, seek exposure to local short term markets if this appears to be in the best interest of the relevant Fund and its Shareholders, in light of local market conditions in the countries concerned, to limit volatility and counterparty risk and to improve liquidity.

- Each Fund, unless otherwise specified in Appendix IV, may invest up to 5% in contingent convertible bonds. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".

(A) The Investment Managers may invest directly in Russian securities that are traded on the Moscow Exchange. For details of the risk involved in dealing on these exchanges please refer to Appendix II. Additionally, exposure to the Russian market may be achieved through investments in American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

(B) Expected level of leverage

Funds quantifying global exposure using a Value-at-Risk (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 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 derivatives 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 derivatives positions. As a result, derivative roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase in the level of leverage when they do not increase or only cause a moderate increase in 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

(C) Any exposure to commodities including precious metals for a Fund may indirectly be obtained through related (i) transferable securities, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of this asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and/or (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and (vi) derivatives on eligible assets as described under (i) – (v).

(D) Derivatives should be dealt in on a Regulated Market or OTC.

Transferable securities, Money Market Investments, units of closed-ended investment companies, financial instruments linked or backed to the performance of other assets should be dealt in on a Regulated Market. If not, they will be restricted to 10% of the Net Asset Value of any Fund together with any other investments made in accordance with investment restriction provided in Appendix I.

(E) Use of derivatives

The use of derivatives for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".

(F) Money Market Funds

Money Market Funds may use derivatives for hedging currency and interest rate risk only.

When the investment policy of a Fund refers to "Alternative Asset Classes", it will include the following: real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds.

Real estate, infrastructure, private equity

The investment in such asset classes will mainly be obtained indirectly through related (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment companies funds and (iii) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008. The investment in real estate may be obtained through REITs.

Commodity and precious metals

The investment in such asset classes will mainly be obtained indirectly through related (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of this asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008, (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and (vi) derivatives on eligible assets as described under (i) – (v).

Alternative Investment Funds

Alternative Investment Funds refer to the "hedge funds" strategies such as long/short, event driven, tactical trading and relative value strategies. The exposure will mainly be obtained indirectly through related (i) units of closed-ended investment funds, (ii) financial instruments linked or backed to the performance of these strategies and (iii) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (iv) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592.

Transferable securities (including units of closed-ended investment funds, financial instruments linked or backed to the performance of other assets) and Money Market Investments should be dealt in on a Regulated Market. If not, they will be restricted to 10% of the Net Asset Value of any Fund.

Where a transferable security embeds a derivative, the rules detailed in section "3. Derivative" of Appendix I, apply.

Benchmarks of the Funds

Where a Fund's details include a benchmark, this has been chosen for the following reasons:

- for a comparator benchmark, the benchmark has been selected because it is a suitable comparison for performance purposes;

- for a target benchmark that is a Financial Index, the benchmark has been selected because it is representative of the types 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;
- 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. The Fund may also show a comparator benchmark where the Investment Manager believes that this is a suitable comparison for performance purposes;
- 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 and policy.

Where a Fund's investment objective refers to meeting or exceeding a target benchmark before or after fees have been deducted over a stated period, this is the period over which an investor should assess a Fund's performance. A Fund may not only be suitable for investors whose investment horizons are the same as the stated period.

Sustainability scores

Where a Fund's investment policy states that the Fund will achieve a certain sustainability score (whether overall, or in relation to a particular measure such as carbon intensity) compared to a named benchmark, this does not mean that the Fund is constrained by, or seeks to achieve a financial return relative to that benchmark unless otherwise stated. For any Fund that has the objective of sustainable investment or has environmental or social characteristics, details of how the Fund attains that objective or those characteristics are disclosed in the Fund's investment policy and in Appendix V.

Any sustainability score or other threshold specified within Appendix V, will be measured over a period that the Investment Manager deems appropriate to that measure. For example, where a Fund's investment policy states that the Fund will maintain a higher overall sustainability score than a named benchmark, this means that the Fund's weighted average score using one of the Investment Manager's proprietary sustainability tools over the previous six month period will be higher than the benchmark's score over the same period, based on month-end data. Where a Fund's investment policy states that the Fund will maintain a positive absolute sustainability score, this means that the Fund's weighted average score using one of the Investment Manager's proprietary sustainability tools over the previous six month period will be higher than zero over the same period, based on month-end data.

Schroders' proprietary sustainability tools generate scores by using certain metrics and how scores are generated may change over time. Schroders' proprietary sustainability tools may utilise third party data (including third party estimates) as well as our own modelling assumptions, and the outcome may differ from other sustainability tools and measures. Schroders cannot confirm the accuracy, completeness and adequacy of such third party data and estimates. Generating scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders and, as Schroders' proprietary sustainability tools evolve, changes made to how metrics are applied may result in changes to the score of any issuer and ultimately the overall fund/ portfolio score. At the same time, of course, the issuer's performance might improve or deteriorate. An issuer will be scored across applicable metrics and may score higher or lower on some metrics than on others. The scores are combined to provide an overall net score for the issuer.

Schroders' proprietary sustainability tools may not cover all of the Fund's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash and certain equivalent securities) are treated as neutral and are therefore not considered by our proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by our proprietary tools and if so would be excluded from the Fund's sustainability score. This would mean that the environmental and/or social characteristics or sustainable investment objective of the Fund (as applicable) would not apply to positions held by the Fund in such assets.

Share Classes

The Directors may decide to create within each Fund different Share Classes whose assets will be commonly invested pursuant to the specific investment policy of the relevant Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Share Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Share Class.

Please note that not all Distributors offer all Share Classes.

Shares are generally issued as Accumulation Shares. Distribution Shares will only be issued within any Fund at the Directors' discretion. Investors may enquire at the Management Company or their Distributor whether any Distribution Shares are available within each Share Class and Fund.

The particular features of each Share Class are provided below.

Initial Charge

The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion. The initial charge attributable to each Share Class is specified below for each Fund.

Minimum Subscription Amount, Minimum Additional Subscription Amount and Minimum Holding Amount

The Minimum Subscription Amount, Minimum Additional Subscription Amount and Minimum Holding Amount for each Share Class are set out in Appendix IV. The amounts are stated in the relevant currency although near equivalent amounts in any other freely convertible currency are acceptable. These minima may be waived at the Directors' discretion from time to time.

Redemption Charge

The Company may introduce a redemption charge based on the Net Asset Value per Share of the relevant Share Classes of the relevant Fund in favour of the Fund. Information on the redemption charge is disclosed separately in the Fund details.

Distribution Share Classes

Distribution Share classes may be issued with different distribution frequencies or attributes within the same fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed or **V** = variable

Currency carry [1]: **C** Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Share Class name.

1. Share Classes available within the Funds

Subject to the Management Company's discretion, the following features are applicable to Share Classes available within the Funds included in Appendix IV:

Specific features of C Shares

C Shares are available to institutional clients, certain distributors who have separate fee arrangements with their clients and who meet the minimum investment criteria, and other Investors at the Management Company's discretion.

Specific features of A, A1 and A2 Shares

A, A1 and A2 Shares will only be available to Investors who at the time the relevant subscription order is received are customers of certain Distributors appointed specifically for the purpose of distributing the A, A1 and A2 Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors. A, A1 and A2 Shares fees for each Fund are separately disclosed in the Fund details.

Specific features of E, E1 and E2 Shares

The E Shares are available to institutional clients such as pension funds, sovereign wealth funds and official institutions, as well as mutual funds and such distributors which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

The E1 and E2 Shares will only be available to Investors who at the time the relevant subscription order is received are customers of certain Distributors appointed specifically for the purpose of distributing the E1 and E2 Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors. E1 and E2 Shares fees for each Fund are separately disclosed in the Fund details.

The E, E1 and E2 Shares will only be available until the total Net Asset Value of all available Share Classes within a Fund reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency, or any other amount as specifically determined by the Management Company.

Once the total Net Asset Value of the Share Classes available in a Fund, ordinarily, reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency or any other amount as specifically determined by the Management Company, the E, E1 and E2 Share Classes in that Fund will be closed to Investors for subscriptions. The Management Company may re-open the E, E1 and E2 Share Classes at its discretion without notice to Shareholders.

Specific features of I Shares

I Shares will only be offered to Investors:

(A) who, at the time the relevant subscription order is received, are clients of Schroders with an agreement covering the charging structure relevant to the clients' investments in such Shares, and

(B) who are Institutional Investors, as may be defined from time to time by the guidelines or recommendations issued by the CSSF.

The Company will not issue, or effect any switching of, I Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for I Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an institutional investor. If it appears at any time that a holder of I Shares is not an institutional investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

As I Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of Schroders and is charged Annual Management Charges directly by Schroders, no Annual Management Charges will be payable in respect of I Shares out of the net assets of the relevant Fund. I Shares will bear their pro-rata share of the fees payable to the Depositary and the Management Company, as well as of other charges and expenses.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of I Shares of any Fund.

Specific features of IE Shares

IE Shares will only be offered to Investors who are Institutional Investors such as pension funds, sovereign wealth funds, foundations, charities and official institutions.

The Company will not issue, or effect any switching of, IE Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IE Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of IE Shares is not an Institutional Investor, the Directors will instruct the Transfer Agent to propose that the said holder convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the

[1] This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged share class is higher than the fund's base currency interest rate. Consequently when the interest rate of a currency hedged share class is lower than the fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the fund's investment objective or investment policy.

fees and expenses payable by such Share Class). In the event that the Shareholder refuses such switching, the Directors will, at their discretion, instruct the Transfer Agent to redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or distribution charge will be payable by an Investor on the acquisition of IE Shares of any Fund.

IE Shares will only be available until the total Net Asset Value of all available Share Classes within a Fund reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency, or any other amount as specifically determined by the Management Company.

Once the total Net Asset Value of the Share Classes available in a Fund, ordinarily, reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency or any other amount as specifically determined by the Management Company, the IE Share Classes in that Fund will be closed to Investors for subscriptions. The Management Company may re-open the IE Share Classes at its discretion without notice to Shareholders.

Specific features of IZ Shares

IZ Shares will only be available in certain limited circumstances to certain investors who:

(A) have the agreement of the Management Company, and,

(B) have a significant investment in the relevant Fund as determined by the Management Company, and

(C) are Institutional Investors such as pension funds, sovereign wealth funds and official institutions, or

(D) are collective investment schemes and discretionary managers.

Such Investors must also comply with the definition of Institutional Investor as described from time to time in guidelines or recommendations issued by the CSSF.

The Company will not issue, or effect any switching of, IZ Shares to any Investor who may not be considered an Institutional Investor. The Directors of the Company may, at their discretion, delay the acceptance of any subscription for IZ Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor.

Specific features of X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares

X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares will only be available, with prior agreement of the Management Company, to Institutional Investors, within the meaning of Article 174 of the Law and as may be defined from time to time by the guidelines or recommendations issued by the CSSF.

The Company will not issue, or effect any switching of, X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares to any Investor who may not be considered an Institutional Investor. The Directors of the Company may, at their discretion, delay the acceptance of any subscription for X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor.

If it appears at any time that a holder of X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares of any Fund. The Annual Management Charge for X, X1, X2 Shares will be up to 1%, up to 1.3% and up to 1.4%, respectively, per annum. The Annual Management Charge for X3, X4, X5, X6, X7, X8, X9 shares will be up to 1.5% per annum.

Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares

Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares are only available at the Management Company's discretion to certain clients of Schroders. Before the Management Company can accept a subscription into Y Shares, an agreement must be in place between the Investor and Schroders containing terms specific to investment in Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares of any Fund. The Annual Management Charge for Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares will be up to the equivalent A share Annual Management Charge of the relevant fund. Applications for subscriptions into Y Shares will be accepted at the Management Company's discretion.

Specific features of IS Shares

IS Shares will only be offered to Investors who are Institutional Investors.

IS Shares are only available at the Management Company’s discretion to certain institutional clients of the Schroder Group’s wealth management business and other connected parties of the Investment Manager and its affiliates. Before the Management Company can accept a subscription into IS Shares by a client of the Schroder Group's wealth management business, a legal agreement must be in place between that client and the Schroder Group’s wealth management business containing terms specific to investment in IS Shares.

In the event that a Shareholder of Class IS Shares that is a client of the Schroder Group's wealth management business ceases to be a client of the Schroder Group’s wealth management business, the Shareholder will cease to be eligible to hold Class IS Shares and the Management Company will compulsorily switch the Shareholder into the most appropriate Share Class of the same Fund.

This means that the switch of Class IS Shares will be automatic without the need for Shareholders to submit a switching request to the Transfer Agent. The Company will not issue, or effect any switching of, IS Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IS Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of IS Shares is not an Institutional

Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of IS Shares of any Fund. The Annual Management Charge for IS Shares will be up to 1.5% per annum.

Applications for subscriptions into Class IS Shares will be accepted at the Management Company's discretion.

Specific features of S Shares

S Shares are only available at the Management Company's discretion to certain clients of the Schroder Group's wealth management business, to staff and other connected parties of the Investment Manager, and staff of the Management Company and its affiliates. Before the Management Company can accept a subscription into S Shares by a client of the Schroder Group's wealth management business, a legal agreement must be in place between that client and the Schroder Group's wealth management business containing terms specific to investment in S Shares.

In the event that a Shareholder of Class S Shares that is a client of the Schroder Group's wealth management business ceases to be a client of the Schroder Group's wealth management business, the Shareholder will cease to be eligible to hold Class S Shares and the Management Company will compulsorily switch the Shareholder into the most appropriate Share Class of the same Fund.

This means that the switch of Class S Shares will be automatic without the need for Shareholders to submit a switching request to the Transfer Agent. Therefore, by subscribing for Class S Shares, Shareholders irrevocably permit the Management Company to switch Class S Shares on their behalf should they cease to be a client of the Schroder Group's wealth management business.

There is no minimum initial subscription, additional subscription or holding amount. No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of S Shares of any Fund. The Annual Management Charge for S Shares will be up to 1.5% per annum.

Applications for subscriptions into Class S Shares will be accepted at the Management Company's discretion.

General

If it appears at any time that a holder of C (Inst.), I Shares, X Shares, X1 Shares, IS or IZ Shares is not an Institutional Investor, the Directors will instruct the Transfer Agent to propose that the said holder convert its Shares into Shares of a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics). In the event that the Shareholder refuses such switching, the Directors will, at their discretion, instruct the Transfer Agent to redeem the relevant Shares in accordance with the provisions under Section 2.2 "Redemption and Switching of Shares".

If it appears at any time that a holder of any other Class of Shares does not meet (any longer) the eligibility criteria set out above, the Directors will instruct the Transfer Agent to propose that the said holder convert its Shares into Shares of a Share Class within the relevant Fund for which it meets the eligibility criteria (provided that there exists such a Share Class with similar characteristics). In the event that the Shareholder refuses such switching, the Directors will, at their discretion, instruct the Transfer Agent to redeem the relevant Shares in accordance with the provisions under Section 2.2 "Redemption and Switching of Shares".

2. Currency and Hedging policy

The above Share Classes, where available, may be offered in various currencies (each a "Reference Currency") at the Directors' discretion. Share Classes may be currency denominated or currency hedged Share Class and they will be designated as such. Currency hedged Share Classes are offered in a currency other than the Fund currency, with the exception of the BRL Hedged Share Class which is denominated in the Fund Currency.

The aim of a hedged Share Class is to provide an Investor with the performance returns of the Fund's investments by reducing the effects of exchange rate fluctuations between the Fund Currency and the Reference Currency. In this instance currency exposures or currency hedging transactions within the Fund's portfolio will not be considered. The Management Company will review hedged positions at every valuation point to ensure that (i) over-hedged positions do not exceed 105% of the Net Asset Value of the hedged Classes and (ii) under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the hedged Classes which is to be hedged against the currency risk.

Due to currency controls in Brazil, the BRL Hedged Share Class uses a different hedging model to the other currency hedged Share Classes. The BRL Hedged Share Class will be denominated in the Fund Currency but offers hedged currency exposure to BRL by applying a currency overlay, so that the Net Asset Value of the Share Class is converted to BRL. As such, the Net Asset Value of the BRL Hedged Share Class will be affected by changes in the exchange rate between BRL and the Fund Currency and as a result performance may vary significantly from other share classes within the Fund.

BRL Hedged Share Classes are designed to offer a currency hedging solution to the underlying investors of funds domiciled in Brazil and will be restricted to Investors specifically approved by the Management Company. These Brazilian funds combine the use of financial derivative instruments within the BRL Hedged Share Classes with the use of spot foreign exchange contracts at their own level to offer their investors a full BRL currency hedged investment. Any profit or loss as well as costs and expenses resulting from these hedging transactions will be reflected exclusively in the Net Asset Value of the BRL Hedged Share Class.

Confirmation of all the Funds and Share Classes available including currency denomination and hedging, as well as an up-to-date list of Share Classes with a contagion risk can be obtained from the Management Company upon request.

While the Company has taken steps to ensure that the risk of contagion between Share Classes is mitigated in order to ensure that the additional risk introduced to a Fund through the use of a derivative overlay is only borne by the Shareholders in the relevant Share Class, this risk cannot be fully eliminated.

The performance of hedged Share Classes aims to be similar to the performance of equivalent Share Classes in Fund Currency. There is no assurance however that the hedging strategies employed will be effective in delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of such additional Share Class. Similarly, any expenses arising from such hedging transactions (including a hedging charge of up to 0.03%) will be borne by the Share Class in relation to which they have been incurred.

Collateral received in connection with currency hedging transactions (and in particular currency forward transactions) on behalf of currency hedged Share Classes, may be reinvested, in compliance with the applicable investment policy and restrictions of the Funds.

It should be noted that, where relevant, these hedging transactions may be entered into whether the Reference Currency is declining or increasing in value relative to the relevant Fund Currency and so, where such hedging is undertaken it may substantially protect Investors in the relevant Share Class against a decrease in the value of the Fund Currency relative to the Reference Currency, but it may also preclude Investors from benefiting from an increase in the value of the Fund Currency.

In addition the Investment Manager may hedge the Fund Currency against the currencies in which the underlying assets of the Fund are denominated or the underlying unhedged assets of a target fund are denominated.

There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Reference Currency, or for the BRL Hedged Share Class, that the currency hedging employed will fully eliminate the currency exposure to BRL.

The Management Company will delegate some or all of its currency and hedging policy related activities described in this Prospectus to HSBC Bank Plc as its FX overlay services provider.

Specific investment objectives and investment policies of the different Funds (excluding Money Market Funds)

Schroder Special Situations Fund Cazenove GBP Balanced

Investment Objective

The Fund aims to provide capital growth and income of UK CPI +2.75% per annum after fees have been deducted over a five year period by investing in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. There is no guarantee that this objective will be met and your capital is at risk.

Investment Policy

The Fund is actively managed and invests directly, or indirectly in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide.

The Fund may invest up to 35% of its assets indirectly in Alternative Asset Classes (as defined in Appendix IV of this Prospectus) through collective investment schemes, exchange traded funds, real estate investment trusts or closed-ended funds worldwide. The Fund can invest up to 100% of its assets in collective investment schemes (including Schroder Funds).

The Fund may invest up to 20% of its assets in China, either directly (for example, via Bond Connect) or indirectly through mainland China focused Investment Funds.

The Fund may invest:

- between 20% and 50% of its assets in fixed and floating rate securities; and
- between 25% and 60% of its assets in equity and equity related securities.

The Fund may also invest in warrants and Money Market Investments.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to achieve UK CPI +2.75% after fees have been deducted over a five year period, and compared against the Asset Risk Consultants (ARC) Sterling Balanced Asset Private Client index.

The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the Investment Manager invests the Fund's assets. The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. 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.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment". The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's Investment Objective across all Share Classes after fees have been deducted.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term capital growth and income potential offered through investment in a diversified portfolio offering exposure to a range of asset classes.

Share Class Features

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
IS	None	None	None
C	GBP 50,000	GBP 10,000	GBP 50,000

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Share Classes	Initial Charge [2]	Annual Management Charge [3]	Performance Fee
IS	None	0.375%	None
C	None	0.75%	None

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share
[3] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Diversified Alternative Assets

Investment Objective

The Fund aims to provide capital growth and income in excess of UK CPI + 2.5% after fees have been deducted over a five to seven year period by investing in Alternative Asset Classes worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (through Investment Funds) in Alternative Asset Classes worldwide.

The Fund may have an indirect exposure to distressed securities, contingent convertible bonds, asset-backed securities, mortgage-backed securities and high yield securities.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund may invest up to 10% of its assets in open-ended Investment Funds (including other Schroder Funds).

The Fund may invest up to 20% of its assets in China, either directly (for example, via Bond Connect) or indirectly through mainland China focused Investment Funds.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed UK CPI +2.5% after fees have been deducted over a five to seven year period and compared against the FTSE All Share index and the FTSE actuaries UK Conventional Gilt All Stocks index.

The comparator benchmarks are only included for performance comparison purposes and do not have any bearing on how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap to a limited extent with the components of each comparator benchmark.

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 comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the comparator benchmarks.

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. Any 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.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Weekly, on each Wednesday or the next Business Day if a Wednesday is not a Business Day[1] and on the last Business Day in a month
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment". The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's Investment Objective across all Share Classes after fees have been deducted.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term capital growth and income potential and diversification offered through investment in a diversified portfolio offering exposure to alternative asset classes.

Share Class Features [2]

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge
IS	None	None	None	None
C	1,000,000	100,000	1,000,000	Up to 5%

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] A detailed description of the features of the Share Classes can be found in section "1. Share Classes available within the Funds" in Appendix IV of this Prospectus.

Share Classes	Redemption Charge	Annual Management Charge [3]	Performance Fee
IS	None	Up to 0.2%	None
C	None	Up to 1%	None

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[3] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Key Capital Balanced Multi Strategy

Investment Objective

The Fund aims to provide capital growth and income over a three to five year period after fees have been deducted by investing in a diversified range of assets and markets worldwide.

Investment Policy

The Fund is actively managed and invests its assets directly or indirectly through derivatives in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide in various currencies and Alternative Asset Classes. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix IV of this Prospectus.

The Fund may invest:

- up to 100% of its assets in open-ended Investment Funds (including other Schroder Funds);
- indirectly up to 15% of its assets in commodities. The exposure to commodities and other Alternative Asset Classes will be achieved through eligible assets (such as exchange traded funds, exchange traded commodities or open-ended Investment Funds); and
- up to 15% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may have an indirect limited exposure to distressed securities, contingent convertible bonds, asset backed securities and mortgage-backed securities.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be assessed against its objective of providing income and growth over a three to five year period by investing in a diversified range of assets and markets worldwide.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency / Dealing Day	Daily on Dealing Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	Investors should be aware that capital is at risk and in the event of adverse equity market conditions over a sustained period it is possible that the Fund could generate negative returns. Also, when equity markets perform strongly the return on the Fund may be less than the market return. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term growth potential through investment in a diversified portfolio offering exposure to a range of asset classes.

Share Class Features

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge [2]	Annual Management Charge [3]	Performance Fee	Redemption Charge
C	EUR 1,000	EUR 1,000	EUR 1,000	None	Up to 1.18%	None	None

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[3] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund QEP Global Core

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) 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 two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

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 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 have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 10% of its assets directly or indirectly (for example via participatory notes) in China A-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 up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The Fund may invest up to 20% of its assets in emerging markets.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its constraining benchmark, being the MSCI AC World (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the constraining benchmark. The Investment Manager will use discretion to vary the weightings in the benchmark's securities.

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. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The Fund's investment universe is a broad global equity universe which includes, but is not limited to, the components of the constraining benchmark. The Investment Manager will select securities in accordance with the investment objective and policy disclosed above, and as a consequence the Fund's holdings will vary in composition, risk and return from the constraining 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.

Further Information

The Fund is categorised as "Quantitative Equity Fund". QEP stands for Quantitative Equity Products.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix V in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency / Dealing Day	Daily on Dealing Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Redemption Charge	No
PEA / PIR Eligibility	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information. The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted. The Fund may invest in mainland China through Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI schemes or Regulated Markets (including the CIBM via Bond Connect). Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/ Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI status, QFI quota, the CIBM and Bond Connect. Risks related to Emerging Markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus. The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks. Investors should be aware that capital is at risk and in the event of adverse equity market conditions over a sustained period it is possible that the Fund could generate negative returns. Also, when equity markets perform strongly the return on the Fund may be less than the market return. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term growth potential through investment in a diversified portfolio offering exposure to a range of asset classes.

Share Class Features

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge [2]
IZ	USD 100,000,000	USD 20,000,000	USD 100,000,000	None
X	USD 20,000,000	USD 5,000,000	USD 20,000,000	None

Share Classes	Annual Management Charge [3]	Performance Fee	Redemption Charge
IZ	Up to 0.275%	None	None
X	Up to 0.275%	None	None

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[3] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Optimum Euro Credit

Investment Objective

The Fund aims to provide capital growth and income in excess of the ICE BofA Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

The Fund may invest:

- up to 10% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in sovereign government bonds;
- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 10% of its assets in convertible bonds including contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. It also maintains a carbon intensity (Scope 1 and 2) at least 20% below that of the ICE BofA Euro Corporate index.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the ICE BofA Euro Corporate index after fees have been deducted over a three to five year period. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration or exposure to particular issuers).

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 benchmark. The Investment Manager may invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark does not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest.

Further Information

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix V in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Redemption Charge	No
PEA / PIR Eligibility	None
Specific risk considerations	Full details of the risks applicable to investing in these Funds, including a detailed description of the risks linked to contingent convertible bonds, below-investment grade securities, asset backed securities, mortgage-backed securities and smaller companies can be found in Appendix II of this Prospectus, "Risks of Investment". The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

	The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Share Class Features [2]

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge [3]
IZ	EUR 1,000,000	EUR 500,000	EUR 1,000,000	None
I	EUR 5,000,000	EUR 2,500,000	EUR 5,000,000	None

Share Classes	Annual Management Charge [4]	Performance Fee	Redemption Charge
IZ	Up to 0.2%	None	None
I	None (to be invoiced separately)	None	None

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] A detailed description of the features of the Share Classes can be found in section "1. Share Classes available within the Funds" in Appendix IV of this Prospectus.
[3] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[4] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Structured Income

Investment Objective

The Fund aims to provide income and capital growth over rolling five year periods by investing directly, or indirectly through derivatives, in a diversified range of equity related securities and fixed income securities worldwide.

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets directly, or indirectly through derivatives, in equity related securities and fixed income securities worldwide.

In particular, the Fund will invest indirectly in global or local equity market indices (such as the S&P500, EuroSTOXX 50, FTSE100 and other equity market indices) via exposure to a diversified portfolio of defined return investments (also known as autocallable exposures). In most cases, the Fund will aim to achieve autocallable exposures by holding equity total return swaps and fixed income securities. From time to time, the Fund may also hold autocall notes if better terms are offered through this instrument. The return of such autocallable exposures is based on the performance of the underlying equity market indices. The autocallable exposure selection and portfolio construction process are designed to ensure that exposures are diversified by underlying market, barrier, call levels and call dates, thereby seeking to manage overall risk.

Adverse equity market conditions can lead to higher risk and negative returns in the Fund and as such, Investors' capital is at risk. Also, when equity markets perform strongly the return on the Fund may be less than the market return.

Fixed income securities include fixed and floating rate securities such as government bonds and corporate bonds that are investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). For the dual purpose of reducing overall risk and having assets to post as collateral for the autocall derivatives, the Fund will hold at least 50% of its assets in government bonds, cash and Money Market Investments.

The Fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds and warrants.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund will use total return swaps (funded and unfunded) extensively as further described hereafter.

Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the Fund aims to use total return swaps on a continuous basis to gain the autocall exposures for investment purposes in order to implement its investment strategy. In addition, from time to time, total return swaps can be used to hedge exposure of fixed income securities. The gross exposure of total return swaps will not exceed 200% and is expected to remain within the range of 90% to 125% of the Net Asset Value. In certain circumstances this proportion may be higher.

Benchmark

The Fund's performance should be assessed by measuring the absolute performance of the Fund over rolling five year periods.

Further Information

The Key Information Documents of the Fund are available on the internet site of the Management Company (https://www.schroders.com).

Risk Considerations

Risk Management method

Absolute Value-at-Risk (VaR)

Expected Leverage

300% of the total net assets.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix I. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time, 2 Business Days prior to the relevant Dealing Day
Dealing Frequency / Dealing Day	Daily on Dealing Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

	Investors should be aware that capital is at risk and in the event of adverse equity market conditions over a sustained period it is possible that the Fund could generate negative returns. Also, when equity markets perform strongly the return on the Fund may be less than the market return. Long and short positions gained through equity total return swaps may increase exposure to credit-related risks. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term capital growth and income potential offered through investment in a diversified portfolio offering exposure to equity related securities and fixed income securities. The Investor must be able to accept capital losses due to the potentially volatile nature of the assets held. The Fund is not intended for retail Investors other than those who are advised by a professional investment adviser.

Share Class Features

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge [2]
A	USD 3,000,000	USD 1,500,000	USD 3,000,000	Up to 3%
A1	USD 1,000	USD 1,000	USD 1,000	Up to 2%
A2	USD 1,000	USD 1,000	USD 1,000	Up to 2%
C	USD 500,000	USD 250,000	USD 500,000	Up to 1%
E	USD 1,000	USD 1,000	USD 1,000	Up to 1%
E1	USD 1,000	USD 1,000	USD 1,000	Up to 1%
E2	USD 1,000	USD 1,000	USD 1,000	Up to 1%
I	USD 5,000,000	USD 2,500,000	USD 5,000,000	None

Share Classes	Annual Distribution Charge [3]	Annual Management Charge [4]	Performance Fee
A	None	Up to 1.00%	None
A1	0.25%	Up to 1.00%	None
A2	0.50%	Up to 1.00%	None
C	None	Up to 0.50%	None
E	None	Up to 0.30%	None
E1	0.75%	Up to 0.30%	None
E2	1.00%	Up to 0.30%	None
I	None	0.00%	None

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[3] Annual Distribution Charges are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares.
[4] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Sustainable Diversified Alternative Assets

Investment Objective

The Fund aims to provide capital growth and income in excess of UK CPI + 2.5% after fees have been deducted over a five to seven year period by investing in Alternative Asset Classes worldwide which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (through Investment Funds and/or Investment Trusts) in Alternative Asset Classes worldwide.

The Fund will invest across a range of diversified assets through collective investment schemes, Investment Trusts, Exchange Traded Funds, real estate investment trusts or closed-ended funds. Examples of asset classification shall include (but are not limited to) infrastructure, property, private equity, renewables, fixed income, securitised assets and gold. Allocations to these asset classes will vary from time to time depending on market conditions. Asset allocation and position sizing is determined on the basis of the underlying exposure, country, product type, market, size, liquidity and instrument type of the investment. The asset allocation is monitored at the portfolio level to ensure sufficient diversification.

The Fund invests at least 50% of its assets directly or indirectly in sustainable investments, which are investments that the Investment Manager considers to benefit stakeholders (such as employees and communities) and/or contribute to solutions by helping to advance one or more of the UN SDGs. Such sustainable investments do not cause significant environmental or social harm as determined by the Investment Manager's exclusion criteria.

The Fund does not directly or indirectly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests directly and indirectly in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may have an indirect exposure to distressed securities, contingent convertible bonds, asset-backed securities, mortgage-backed securities and high yield securities. The Fund may also invest indirectly up to 10% of its assets in commodities. The exposure to commodities, real estate and other Alternative Asset Classes will be achieved through eligible assets (such as exchange traded funds, exchange traded commodities, closed-ended REITs or open-ended Investment Funds) as described under the definition of "Alternative Asset Classes" in Appendix IV of this Prospectus.

The Fund may invest up to 20% of its assets in China, either directly (for example, via Bond Connect) or indirectly through mainland China focused Investment Funds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund may invest up to 10% of its assets in open-ended Investment Funds (including other Schroder Funds).

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed UK CPI +2.5% after fees have been deducted over a five to seven year period and compared against the FTSE All Share index and the FTSE actuaries UK Conventional Gilt All Stocks index.

The comparator benchmarks are only included for performance comparison purposes and determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap to a limited extent with the components of each comparator benchmark.

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 comparator benchmarks. The Investment Manager may invest in companies or sectors not included in the comparator benchmarks.

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. Any 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.

Further information

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix V in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Weekly, on each Wednesday or the next Business Day if a Wednesday is not a Business Day and on the last Business Day in a month

Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	For full details of the risks applicable to investing in these Funds, including a detailed description of the risks linked to distressed securities, contingent convertible bonds, asset-backed securities, mortgage-backed securities and high yield securities, please refer to Appendix II of this Prospectus, "Risks of Investment". The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment". The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's Investment Objective across all Share Classes after fees have been deducted. The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term capital growth and income potential and diversification offered through investment in a diversified portfolio offering exposure to alternative asset classes.

Share Class Features [2]

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge [3]
IS	None	None	None	None
C	1,000,000	100,000	1,000,000	Up to 5%

Share Classes	Redemption Charge	Annual Management Charge [4]	Performance Fee
IS	None	Up to 0.2%	None
C	None	Up to 1%	None

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] A detailed description of the features of the Share Classes can be found in section "1. Share Classes available within the Funds" in Appendix IV of this Prospectus.
[3] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[4] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Wealth Management Global Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI All Country (AC) World (Net TR) 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 two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund may invest up to 20% of its assets in emerging market companies.

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 three to five year horizon (we refer to this as 'a positive growth gap').

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to provide capital growth in excess of the MSCI All Country (AC) World (Net TR) index after fees have been deducted over a three to five year period. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. 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 benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. 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.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily on a Dealing Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information. The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.
Profile of the typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Share Class Features [2]

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge [3]
IS	None	None	None	None
C	GBP 50,000	GBP 50,000	GBP 50,000	None
I	GBP 5,000,000	GBP 5,000,000	GBP 5,000,000	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] A detailed description of the features of the Share Classes can be found in section "1. Share Classes available within the Funds" in Appendix IV of this Prospectus.
[3] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.

Share Classes	Redemption Charge	Annual Management Charge [4]	Performance Fee
IS	None	0.19%	None
C	None	0.38%	None
I	None	0.00%	None

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[4] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Wealth Management Global GBP Balanced

Investment Objective

The Fund aims to provide capital growth and income of UK CPI + 2.75% per annum after fees have been deducted over a five year period by investing in equity and equity related securities, fixed and floating rate securities and Alternative Asset Classes worldwide. There is no guarantee that this objective will be met and your capital is at risk.

Investment Policy

The Fund is actively managed and invests directly or indirectly in equity and equity related securities, fixed and floating rate securities and Alternative Asset Classes worldwide.

The Fund may invest:

- between 20% and 50% of its assets in fixed and floating rate securities; and
- between 25% and 60% of its assets in equity and equity related securities.

The Fund may invest up to 35% of its assets indirectly in Alternative Asset Classes (as defined in Appendix IV of this Prospectus), including up to 10% of its assets in commodities. The exposure to commodities, real estate and other Alternative Asset Classes will be achieved through eligible assets (such as exchange traded funds, exchange traded commodities, closed-ended REITs or open-ended Investment Funds) as described under the definition of "Alternative Asset Classes" in Appendix IV of this Prospectus.

The Fund may invest up to 100% of its assets in Investment Funds (including Schroder Funds).

The Fund may invest up to 30% of its assets in emerging markets, which may include up to 20% of its assets in China, either directly or indirectly.

The Fund may invest directly or indirectly up to 30% of its assets in high yield securities.

The Fund may also invest in warrants and Money Market Investments and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to achieve UK CPI + 2.75% per annum after fees have been deducted over a five year period, and compared against the Asset Risk Consultants (ARC) Sterling Balanced Asset Private Client Index.

The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the Investment Manager invests the Fund's assets. The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. 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.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily on a Dealing Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	Risks related to Emerging Markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus. The Fund may invest in mainland China through Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI schemes or Regulated Markets (including the CIBM via Bond Connect). Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/ Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI status, QFI quota, the CIBM and Bond Connect.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term capital growth and income potential offered through investment in a diversified portfolio offering exposure to a range of asset classes.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Share Class Features [2]

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge [3]
IS	None	None	None	None
C	GBP 50,000	GBP 50,000	GBP 50,000	None

Share Classes	Redemption Charge	Annual Management Charge [4]	Performance Fee
IS	None	0.50%	None
C	None	1.00%	None

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] A detailed description of the features of the Share Classes can be found in section "1. Share Classes available within the Funds" in Appendix IV of this Prospectus.
[3] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[4] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Wealth Management Global GBP Growth

Investment Objective

The Fund aims to provide capital growth and income of UK CPI + 3.5% per annum after fees have been deducted over a five year period by investing in equity and equity related securities, fixed and floating rate securities and Alternative Asset Classes worldwide. There is no guarantee that this objective will be met and your capital is at risk.

Investment Policy

The Fund is actively managed and invests directly or indirectly in equity and equity related securities, fixed and floating rate securities and Alternative Asset Classes worldwide.

The Fund may invest:

between 0% and 30% of its assets in fixed and floating rate securities; and

between 50% and 80% of its assets in equity and equity related securities.

The Fund may invest up to 30% of its assets indirectly in Alternative Asset Classes (as defined in Appendix IV of this Prospectus), including up to 10% of its assets in commodities. The exposure to commodities, real estate and other Alternative Asset Classes will be achieved through eligible assets (such as exchange traded funds, exchange traded commodities, closed-ended REITs or open-ended Investment Funds) as described under the definition of "Alternative Asset Classes" in Appendix IV of this Prospectus.

The Fund may invest up to 100% of its assets in Investment Funds (including Schroder Funds).

The Fund may invest up to 30% of its assets in emerging markets, which may include up to 20% of its assets in China, either directly or indirectly.

The Fund may invest directly or indirectly up to 30% of its assets in high yield securities.

The Fund may also invest in warrants and Money Market Investments and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to achieve UK CPI +3.5% after fees have been deducted over a five year period, and compared against the Asset Risk Consultants (ARC) Sterling Steady Growth Private Client Index. The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the Investment Manager invests the Fund's assets. The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. 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.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily on a Dealing Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	Risks related to Emerging Markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus. The Fund may invest in mainland China through Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI schemes or Regulated Markets (including the CIBM via Bond Connect). Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/ Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI status, QFI quota, the CIBM and Bond Connect.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term capital growth and income potential offered through investment in a diversified portfolio offering exposure to a range of asset classes.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Share Class Features [2]

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge [3]
IS	None	None	None	None
C	GBP 50,000	GBP 50,000	GBP 50,000	None

Share Classes	Redemption Charge	Annual Management Charge [4]	Performance Fee
IS	None	0.50%	None
C	None	1.00%	None

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] A detailed description of the features of the Share Classes can be found in section "1. Share Classes available within the Funds" in Appendix IV of this Prospectus.
[3] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[4] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Wealth Management Global Sustainable Equity

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide. The Fund typically holds fewer than 50 companies.

The Fund may invest up to 20% of its assets in emerging market companies.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system. The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I). The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. 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 comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

Further Information

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix V in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Redemption Charge	No
PEA / PIR Eligibility	None
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information. The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.
Profile of the typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Share Class Features [2]

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
IS	None	None	None
C	GBP 50,000	GBP 50,000	GBP 50,000
I	GBP 5,000,000	GBP 5,000,000	GBP 5,000,000
X	GBP 20,000,000	GBP 5,000,000	GBP 20,000,000

Share Classes	Initial Charge [3]	Annual Management Charge [4]	Performance Fee
IS	None	Up to 0.325%	None
C	None	Up to 0.65%	None
I	None	None (to be invoiced separately)	None
X	None	Up to 0.20%	None

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] A detailed description of the features of the Share Classes can be found in section "1. Share Classes available within the Funds" in Appendix IV of this Prospectus.
[3] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[4] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Wealth Management Sustainable Sovereign Bond

Investment Objective

The Fund aims to provide capital growth and income in line with the FTSE World Government Bond Index GBP (the "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 which meet the Investment Manager's sustainability criteria.

*For the target return after fees for each Share Class please visit the Schroders webpage: https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

Investment Policy

The Fund is passively managed and aims to reflect the performance of the Index. The Fund will invest at least 80% of its assets in fixed and floating rate securities issued by governments worldwide.

The Investment Manager will use a sampling approach to optimise the portfolio with the aim of reflecting the key characteristics of the Index without replicating or holding every security included in the Index, and to minimise portfolio transaction costs and rebalancing.

The Fund invests at least two-thirds of the assets of the Fund in constituent securities of the Index but may vary from this target on a temporary basis and if this is in the best interest of the shareholders, depending on market conditions, high volume of subscriptions in the Fund, or other factors outside of its control (such as for example a rebalancing of the Index). The Fund and/or the Investment Manager also have the discretion to vary the weightings in the Index's securities.

The tracking error of the Fund compared to the Index is anticipated to be up to 1.00% per year during normal market conditions. Tracking error is a measure of how closely the performance of the Fund moves in line with the Index.

Factors which may impact the tracking error include, but are not limited to: differences in country weightings due to sustainability requirements; the weightings of securities in the Fund compared to the Index; transaction costs; fund expenses (as set out in Section 3 of the Prospectus); investments in Money Market Investments or cash. It should also be noted that exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets, may arise which cause the Fund's tracking accuracy to diverge substantially from the Index.

The Fund may invest up to 15% of its net assets in emerging markets.

The Fund may also invest in Money Market Investments and hold cash (subject to the restrictions provided in Appendix I).

The Fund invests at least 80% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its constraining benchmark, being the Index (FTSE World Government Bond Index GBP). The Fund's investment universe is expected to overlap materially with the components of the Index.

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 Fixed Income, LLC 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.

The Investment Manager will use discretion to vary the Fund's weightings in the Index's securities. The Index has been selected because the Investment Manager is constrained by reference to the value, price or components of that Index as stated in the investment objective and policy.

The Index does not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The Index is a broad index providing exposure to the global sovereign fixed income market. The Index measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. It comprises sovereign debt from numerous countries, denominated in a variety of currencies. Further details regarding the Index, including the frequency of its rebalancing, are available at https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights.

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.

Further Information

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix V in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Redemption Charge	No
PEA / PIR Eligibility	None
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information. For full details of the risks applicable to investing in this Fund being an index-tracking fund, please refer to Appendix II, "Index-tracking risks". The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Share Class Features [2]

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
IS	None	None	None
C	GBP 50,000	GBP 50,000	GBP 50,000
I	GBP 5,000,000	GBP 5,000,000	GBP 5,000,000

Share Classes	Initial Charge [3]	Annual Management Charge [4]	Performance Fee
IS	None	Up to 0.10%	None
C	None	Up to 0.20%	None
I	None	None (to be invoiced separately)	None

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] A detailed description of the features of the Share Classes can be found in section "1. Share Classes available within the Funds" in Appendix IV of this Prospectus.
[3] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[4] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Wealth Management USD Balanced

Investment Objective

The Fund aims to provide capital growth and income of US CPI + 2.75% per annum after fees have been deducted over a five year period by investing in equity and equity related securities, fixed and floating rate securities and Alternative Asset Classes worldwide. There is no guarantee that this objective will be met and your capital is at risk.

Investment Policy

The Fund is actively managed and invests directly or indirectly in equity and equity related securities, fixed and floating rate securities and Alternative Asset Classes worldwide. The Fund may invest up to 35% of its assets indirectly in Alternative Asset Classes (as defined in Appendix IV of this Prospectus) through collective investment schemes, exchange traded funds, closed-ended REITs or closed-ended funds worldwide. The Fund may invest up to 100% of its assets in Investment Funds (including Schroder Funds).

The Fund may invest up to 20% of its assets in China, either directly (for example, via Bond Connect) or indirectly through mainland China focused Investment Funds.

The Fund may invest:

- between 20% and 50% of its assets in fixed and floating rate securities; and
- between 25% and 60% of its assets in equity and equity related securities.

The Fund may also invest in warrants and Money Market Investments and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to achieve US CPI +2.75% per annum after fees have been deducted over a five year period, and compared against the Asset Risk Consultants (ARC) USD Balanced Asset Private Client index.

The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the Investment Manager invests the Fund's assets. The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. 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.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder & Co. Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	Full details of the risks applicable to investing in these Funds, including a detailed description of the risks linked to contingent convertible bonds, below-investment grade securities, asset backed securities, mortgage-backed securities and smaller companies can be found in Appendix II of this Prospectus, "Risks of Investment". The Fund may invest in mainland China through Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI schemes or Regulated Markets (including the CIBM via Bond Connect). Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/ Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI status, QFI quota, the CIBM and Bond Connect.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term capital growth and income potential offered through investment in a diversified portfolio offering exposure to a range of asset classes.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Share Class Features

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
A	USD 50,000	USD 50,000	USD 50,000
C	USD 50,000	USD 50,000	USD 50,000
IS	None	None	None

Share Classes	Initial Charge [2]	Annual Management Charge [3]	Performance Fee
A	Up to 2%	Up to 1.10%	None
C	None	Up to 0.75%	None
IS	None	Up to 0.375%	None

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[3] Percentages are stated with reference to the Net Asset Value per Share.

Schroder Special Situations Fund Wealth Management USD Growth

Investment Objective

The Fund aims to provide capital growth and income of US CPI +3.5% per annum after fees have been deducted over a five year period by investing in equity and equity related securities, fixed and floating rate securities and Alternative Asset Classes worldwide. There is no guarantee that this objective will be met and your capital is at risk.

Investment Policy

The Fund is actively managed and invests directly or indirectly in equity and equity related securities, fixed and floating rate securities and Alternative Asset Classes worldwide. The Fund may invest up to 30% of its assets indirectly in Alternative Asset Classes (as defined in Appendix IV of this Prospectus) through collective investment schemes, exchange traded funds, closed-ended REITs or closed-ended funds worldwide. The Fund may invest up to 100% of its assets in Investment Funds (including Schroder Funds).

The Fund may invest up to 20% of its assets in China, either directly (for example, via Bond Connect) or indirectly through mainland China focused Investment Funds.

The Fund may invest:

- between 0% and 30% of its assets in fixed and floating rate securities; and
- between 50% and 80% of its assets in equity and equity related securities.

The Fund may also invest in warrants and Money Market Investments and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to achieve US CPI +3.5% per annum after fees have been deducted over a five year period, and compared against the Asset Risk Consultants (ARC) USD Steady Growth Private Client Index.

The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the Investment Manager invests the Fund's assets. The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. 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.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder & Co Ltd
Dealing Cut-off Time	13.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds [1]	Within 3 Business Days from the relevant Dealing Day
Specific risk considerations	Full details of the risks applicable to investing in these Funds, including a detailed description of the risks linked to contingent convertible bonds, below-investment grade securities, asset backed securities, mortgage-backed securities and smaller companies can be found in Appendix II of this Prospectus, "Risks of Investment". The Fund may invest in mainland China through Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI schemes or Regulated Markets (including the CIBM via Bond Connect). Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/ Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, QFI status, QFI quota, the CIBM and Bond Connect.
Profile of the typical Investor	The Fund may be suitable for Investors who are seeking long term capital growth and income potential offered through investment in a diversified portfolio offering exposure to a range of asset classes.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Share Class Features

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
A	USD 50,000	USD 50,000	USD 50,000
C	USD 50,000	USD 50,000	USD 50,000
IS	None	None	None

Share Classes	Initial Charge [2]	Annual Management Charge [3]	Performance Fee
A	Up to 2%	Up to 1.10%	None
C	None	Up to 0.75%	None
IS	None	Up to 0.375%	None

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

[2] Percentages are stated with reference to the Net Asset Value per Share. An Initial charge of up to 2% is equivalent to 2.04081% of the Net Asset Value per Share.
[3] Percentages are stated with reference to the Net Asset Value per Share.

Specific investment objectives and investment policies of the Money Market Funds

This section contains additional information applicable to the Funds which qualify as Money Market Funds. The general provisions of the Prospectus also apply to the Money Market Funds, unless otherwise provided below.

Schroder Special Situations Fund Sterling Liquidity Plus

This Fund qualifies as a Standard Variable Net Asset Value Money Market Fund in accordance with the provisions of the MMFR. This Fund has been rated by external credit rating agencies. Such ratings were solicited and financed by the Management Company.

Investment Objective

The Fund aims to provide capital growth equivalent to Sterling Overnight Index Average before fees have been deducted* by investing in Money Market Instruments worldwide. There is no guarantee that this objective will be met and your capital is at risk.

*For the target return after fees for each Share Class please visit the Schroder webpage

https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets in Money Market Instruments (at least rated investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies in addition to receiving a favourable assessment of their credit quality pursuant to the Management Company's internal credit quality assessment procedure), that are denominated in Sterling and issued by governments, government agencies, supra-nationals and companies worldwide. The Fund may also invest in non-Sterling denominated Money Market Instruments provided that any foreign exchange exposure is hedged to Sterling. The maturity of all such securities does not exceed 2 years.

The Fund may use derivatives with the aim of hedging currency and interest rate risks. The Fund may also hold cash and make deposits with a credit institution.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to achieve Sterling Overnight Index Average before fees have been deducted.

The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the Investment Objective.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	15.00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds [1]	Within 1 Business Day from the relevant Dealing Day
Specific risk considerations	The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. Please refer to the start of this Appendix for further information. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".
Profile of the typical Investor	The Fund may be suitable for Investors who are conservative risk-averse, where income and preservation of principal are their primary objectives over the long term. Investors should be aware however that preservation of capital is not guaranteed.

Share Class Features

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding	Initial Charge	Annual Management Charge [2]
C	GBP 300,000	GBP 150,000	GBP 300,000	None	Up to 0.10%
I	GBP 3,000,000	GBP 1,500,000	GBP 3,000,000	None	None
X	GBP 25,000,000	GBP 12,500,000	GBP 25,000,000	None	None
X1	GBP 300,000	GBP 150,000	GBP 300,000	None	Up to 0.04%
X2	GBP 25,000,000	GBP 12,500,000	GBP 25,000,000	None	Up to 0.50%
X3	GBP 25,000,000	GBP 12,500,000	GBP 25,000,000	None	Up to 0.09%
IS	None	None	None	None	Up to 1.50%

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] Percentages are stated with reference to the Net Asset Value per Share.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch further Share Classes that are described under Appendix IV at the Directors' discretion.

Additional Information for Money Market Funds

The following is applicable to Funds included in Appendix IV which qualify as Money Market Funds. The general provisions of the Prospectus also apply to the Money Market Funds, unless otherwise provided in this Prospectus.

Additional information to Shareholders

Shareholders' attention is drawn to the fact that:

- Money Market Funds are not a guaranteed investment;
- an investment in a Money Market Fund is different from an investment in deposits as the principal invested in a Money Market Fund is capable of fluctuation;
- the Company does not rely on external support for guaranteeing the liquidity of the Funds which qualify as Money Market Funds or stabilising the Net Asset Value per Shares of those Funds; and
- the risk of loss of the principal is borne by the Shareholders.

In addition to the information made available to Shareholders in accordance with the main part of the Prospectus, the following information will be made available at the registered office of the Company and on the internet site of the Management Company (https://www.schroders.com) on a weekly basis:

- the maturity breakdown of the portfolio of the relevant Fund;
- the credit profile of the relevant Fund;
- the Weighted Average Maturity and the Weighted Average Life of the relevant Fund;
- details of the 10 largest holdings in the Fund, including the name, country, maturity and asset type, the counterparty in the case of repurchase and reverse repurchase agreements;
- the total value of the relevant Fund; and
- the net yield of the relevant Fund.

In addition, the Net Asset Value per Share of the Share Classes of the Fund shall be made available on the abovementioned internet site on a daily basis.

Specific provisions relating to the calculation of the Net Asset Value per Share

The Net Asset Value per Share shall be rounded to the nearest basis point or its equivalent when the Net Asset Value is published in a currency unit.

By derogation to the section 2.4. "Calculation of Net Asset Value" above, the assets of Funds qualifying as Money Market Funds will be valued using the following valuation principles:

(A) Liquid assets and Money Market Instruments will be valued at Mark-to-Market or Mark-to-Model where the use of Mark-to-Market is not possible or the market data is not of sufficient quality;

(B) Shares or units of Money Market Funds shall be valued at their last available net asset value as reported by such money market funds;

(C) The value of any cash on hand or on deposit and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined conservatively by using Mark-to-Model;

(D) Any assets or liabilities in currencies other than the Fund Currency (as defined in this Appendix) will be converted using the relevant spot rate quoted by a bank or other recognised financial institution.

The assets of Funds qualifying as Money Market Funds shall be valued on at least a daily basis.

The Net Asset Value per Share shall be calculated as the difference between the sum of all assets of the Fund and the sum of all liabilities of the Fund valued in accordance with Mark-to-Market or Mark-to-Model, or both, divided by the number of outstanding Shares of the Fund.

Shares of a Fund shall be issued or redeemed at a price that is equal to the relevant Net Asset Value per Share calculated on the Dealing Day (plus any applicable initial charge or less any applicable redemption charge).

Investment restrictions and portfolio rules

Specific investment restrictions

The Directors have adopted the following restrictions in relation to the investments of the Funds qualifying as Standard Variable Net Asset Value Money Market Funds. These restrictions and policies may be amended from time to time by the Directors should they deem it to be in the best interest of the Company. In this case, the Prospectus will be updated.

(A) Each Fund may exclusively invest in the following eligible assets:

(1) Money Market Instruments that fulfil all of the following requirements:

(I) It falls within the following categories:

(a) Money Market Instruments admitted to or dealt in on a Regulated Market, admitted to official listing on a stock exchange; and/or

(b) Money Market Instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

(i) issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members

making up the federation, or by a public international body to which one or more EU Member States belong; or

(ii) issued by an undertaking, any securities of which are dealt in on Regulated Markets referred to in (1) (I) (a) above; or

(iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or

(iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in (i), (ii) and (iii) above and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(II) it displays one of the following alternative characteristics:

(a) it has a legal maturity at issuance of 397 days or less;

(b) it has a residual maturity of 397 days or less;

(c) it has a residual maturity until the legal redemption date of less than or equal to 2 years provided that the time remaining to the next interest rate reset date is 397 days or less. For that purpose, floating-rate Money Market Instruments and fixed-rate Money Market Instruments hedged by a swap arrangement shall be reset to a money market rate or index.

(III) the issuer of the Money Market Instrument and the quality of the Money Market Instrument have received a favourable assessment pursuant to the internal credit quality assessment procedure established by the Management Company;

This requirement shall not apply to Money Market Instruments issued or guaranteed by the EU, a central authority or central bank of an EU Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility.

(IV) where the Funds invest in a securitisation or ABCP, it is subject to the requirements laid down in (A) (2) below.

(I) Eligible securitisations and ABCPs provided that the securitisation or ABCP is sufficiently liquid, has received a favourable assessment pursuant to the internal credit quality assessment procedure established by the Management Company, and is any of the following:

(a) a securitisation referred to in Article 13 of Commission Delegated Regulation (EU) 2015/61 [1];

(b) an ABCP issued by an ABCP programme which:

(i) is fully supported by a regulated credit institution that covers all liquidity, credit and material dilution risks, as well as ongoing transaction costs and ongoing programme-wide costs related to the ABCP, if necessary to guarantee the investor the full payment of any amount under the ABCP;

(ii) is not a re-securitisation and the exposures underlying the securitisation at the level of each ABCP transaction do not include any securitisation position;

(iii) does not include a synthetic securitisation as defined in point (11) of Article 242 of Regulation (EU) No 575/2013 [2];

(c) a simple, transparent and standardised (STS) securitisation, as determined in accordance with the criteria and conditions laid down in Articles 20, 21 and 22 of Regulation (EU) 2017/2402 of the European Parliament and of the Council, or an STS ABCP as determined in accordance with the criteria and conditions laid down in Articles 24, 25 and 26 of that Regulation.

(II) The Fund may invest in the securitisations or ABCPs provided any of the following conditions is fulfilled, as applicable:

(a) The legal maturity at issuance or residual maturity of the securitisations and ABCPs referred to in (I) (a) (b) and (c) above is two years or less and the time remaining until the next interest rate reset date is 397 days or less;

[1] Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions.

[2] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

(b) The securitisations referred to in points (I) (a) and (c) above are amortising instruments and have a WAL of two years or less.

(2) Deposits with credit institutions provided that all of the following conditions are fulfilled:

(I) the deposit is repayable on demand or is able to be withdrawn at any time;

(II) the deposit matures in no more than 12 months;

(III) the credit institution has its registered office in a EU Member State or, where the credit institution has its registered office in a third country, it is subject to prudential rules considered equivalent to those laid down in EU Law in accordance with the procedure laid down in Article 107(4) of Regulation (EU) No 575/2013.

(3) Repurchase agreements provided that all the following conditions are fulfilled:

(I) It is used on a temporary basis, for no more than seven working days, only for liquidity management purposes and not for investment purposes other than as referred to in point (III) below.

(II) The counterparty receiving assets transferred by the relevant Fund as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the prior consent of the Company;

(III) The cash received by the relevant Fund as part of the repurchase agreement is able to be:

(a) placed on deposits in accordance with (3) above; or

(b) invested in liquid transferable securities or Money Market Instruments other than those referred to in (A) (1) above provided that those assets comply with one of the following conditions:

(i) they are issued or guaranteed by the Union, a central authority or central bank of a Member State of the EU, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to the internal credit rating assessment procedure established by the Management Company;

(ii) they are issued or guaranteed by a central authority or central bank of a non-EU Member State, provided that a favourable assessment has been received pursuant to the internal credit rating assessment procedure of the Management Company.

Cash received by the relevant Fund as part of the repurchase agreement shall not otherwise be invested in other assets, transferred or otherwise reused.

(IV) Cash received by the relevant Fund as part of the repurchase agreement that is not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR does not exceed 10% of its assets.

(V) Cash received by the relevant Fund as part of the repurchase agreement that is centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR does not exceed 15 % of its assets.

(VI) The Company has the right to terminate the agreement at any time upon giving prior notice of no more than two working days.

(4) Reverse repurchase agreements provided that all of the following conditions are fulfilled:

(I) the Fund has the right to terminate the agreement at any time upon giving prior notice of no more than two working days;

(II) the assets received by the Fund as part of a reverse repurchase agreement shall:

(a) be Money Market Instruments that fulfil the requirements set out in (A) (1) above;

(b) not include securitisations and ABCPs;

(c) have a market value which is at all times at least equal to the cash paid out;

(d) not be sold, reinvested, pledged or otherwise transferred;

(e) be sufficiently diversified with a maximum exposure to a given issuer of 15% of the Fund's Net Asset Value except where those assets take the form of Money Market Instruments that fulfil the requirements of (C) (1) (VIII) below.

(f) 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;

By way of derogation from (a) above, the Fund may receive as part of a reverse repurchase agreement liquid transferable securities or Money Market Instruments other than those referred to in (A) (1) above provided that those assets comply with one of the following conditions:

(i) they are issued or guaranteed by the Union, a central authority or central bank of a Member State of the EU, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to the internal credit

rating assessment procedure established by the Management Company;

(ii) they are issued or guaranteed by a central authority or central bank of a non-EU Member State, provided that a favourable assessment has been received pursuant to the internal credit rating assessment procedure of the Management Company;

The assets received as part of a reverse repurchase agreement in accordance with the above shall fulfil the diversification requirements described under (C) (1) (VIII).

(III) The Company shall ensure that it is able to recall the full amount of cash at any time on either an accrued basis or a Mark-to-Market basis. When the cash is recallable at any time on a Mark-to-Market basis, the Mark-to-Market value of the reverse repurchase agreement shall be used for the calculation of the Net Asset Value per Share of the relevant Fund.

(5) Units or shares of any other standard or short-term Money Market Fund ("targeted MMF") provided that all of the following conditions are fulfilled:

(I) no more than 10 % of the assets of the targeted MMF are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of targeted MMFs.

(II) the targeted MMF does not hold units or shares of the acquiring Fund.

(III) the targeted MMF is authorised under the MMF Regulation.

(6) Financial derivative instruments provided that they are dealt in on a stock exchange or a Regulated Market or OTC provided that all of the following conditions are fulfilled:

(I) the underlying of the financial derivative instrument consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories;

(II) the financial derivative instrument serves only the purpose of hedging the interest rate or exchange rate risks inherent in other investments of the Fund;

(III) the counterparties to OTC derivative transactions are institutions subject to prudential regulation and supervision and belonging to the categories approved by the CSSF;

(IV) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

(B) The Company may hold ancillary liquid assets in accordance with Article 41(2) of the Law.

(I) The Company will invest no more than 5% of the assets of any Fund in Money Market Instruments, securitisations and ABCPs issued by the same body.

The Company may not invest more than 10% of the assets of such Fund in deposits made with the same credit institution, unless the structure of the Luxembourg banking sector is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the Fund to make deposits in another Member State of the EU, in which case up to 15 % of its assets may be deposited with the same credit institution.

(II) By way of derogation from (C) (1) (I) above, a Fund may invest up to 10% of its assets in Money Market Instruments, securitisations and ABCPs issued by the same body provided that the total value of such Money Market Instruments, securitisations and ABCPs held by the relevant Fund in each issuing body in which it invests more than 5 % of its assets does not exceed 40 % of the value of its assets.

(III) The aggregate of all of a Fund's exposures to securitisations and ABCPs shall not exceed 20% of its assets, whereby up to 15% of that Fund's assets may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.

(IV) The aggregate risk exposure to the same counterparty of a Fund stemming from derivative transactions which fulfil the conditions set out in (A) (7) above and which are not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR shall not exceed 5% of the assets of the relevant Fund.

(V) The aggregate amount of cash provided to the same counterparty of the Company acting on behalf of a Fund in reverse repurchase agreements that are not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR shall not exceed 15 % of the assets of that Fund.

(VI) Where a reverse repurchase agreement is centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR, the cash provided by a Fund as part of each reverse repurchase agreement shall not exceed 15% of the assets of that Fund.

(VII) Notwithstanding the individual limits laid down in paragraphs (C) (1) (I) and (IV), the Company shall not combine, where to do so would result in an investment of more than 15 % of a Fund's assets in a single body, any of the following:

(a) investments in Money Market Instruments, securitisations and ABCPs issued by that body, and/or

(b) deposits made with that body, and/or

(c) financial derivative instruments that are not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR, giving counterparty risk exposure to that body.

(VIII) The limit of 15% laid down in (C) (1) (VI) above would be increased to a maximum of 20% in Money Market Instruments, deposits and derivative transactions of that single body to the extent the structure of the Luxembourg financial market would be such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the Company to use financial institutions in other Member States of the EU.

(IX) Notwithstanding the provisions outlined in (C) (1) (I), the Company is authorised to invest more than 5% and up to 100% of the assets of any Fund, in accordance with the principle of risk spreading, in Money Market Instruments issued or guaranteed separately or jointly by the EU, the national, regional and local administrations of the Member States of the EU or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a member state of the OECD, Group of Twenty or Singapore, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States of the EU belong, provided that such Fund must hold Money Market Instruments from at least six different issues by the issuer and that the Fund limits the investments in Money Market Instruments from the same issue to a maximum of 30% of the assets of such Fund.

(X) The limit laid down in the first paragraph of (C) (1) (I) may be of a maximum of 10% for certain bonds when they are issued by a single credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attached to the bonds and which, in case of failure of the issuer, would be used on a priority basis for the repayment of the principal and payment of accrued interest.

(XI) If a Fund invests more than 5% of its assets in the bonds referred to in the above paragraph and issued by a single issuer, the total value of such investments shall not exceed 40% of the value of the assets of the Fund.

(XII) Notwithstanding the individual limits laid down in (C) (1) (I) the Fund may invest no more than 20 % of its assets in bonds issued by a single credit institution where the requirements set out in point (f) of Article 10(1) or point (c) of Article 11(1) of Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in (C) (1) (IX) and (X) above.

Where a Fund invests more than 5 % of its assets in the bonds referred to in the above paragraph issued by a single issuer, the total value of those investments shall not exceed 60 % of the value of the assets of the relevant Fund, including any possible investment in assets referred to in (C) (1) (IX) and (X) above, respecting the limits set out therein.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in section (C) (1) (I) to (VII).

(1) The Company may not acquire on behalf of any Fund more than 10% of Money Market Instruments, securitisations and ABCPs issued by a single body.

(2) Paragraph (D) (1) above is waived as regards Money Market Instruments issued or guaranteed by the EU, national, regional and local administrations of the Member States of the EU or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States of the EU belong.

(1) Unless explicitly otherwise mentioned in its investment policy, a Fund may not invest more than 10% of its assets in units or shares of targeted MMFs as defined under paragraph (A) (6).

(2) A Fund may acquire units or shares of another targeted MMF provided that it represents no more than 5% of a Fund's assets.

(3) Any Fund which is allowed to derogate from item (E) (1) above may not invest in aggregate more than 17.5% of its assets in units or shares of other targeted MMFs.

(4) By derogation to (2) and (3) above, any Fund may either:

(I) be a feeder MMF investing at least 85% of its assets in one other single targeted MMF UCITS in accordance with Article 58 of the UCITS Directive; or

(II) invest up to 20% of its assets in another single targeted MMF with a maximum of 30% in aggregate of its assets in targeted MMFs which are not UCITS in accordance with Article 55 of the UCITS Directive,

provided that the following conditions are met:

(a) the relevant Fund is marketed solely through an employee savings scheme governed by national law and which has only natural persons as investors;

(b) the employee savings scheme referred to above only allows investors to redeem their investment subject to restrictive redemption terms which are laid down in national law, whereby redemptions may only take place in certain circumstances that are not linked to market developments.

(5) Where the target MMF is managed, whether directly or under a delegation, by the Management Company or by any other company to which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring Fund in the units or shares of the targeted MMF.

In respect of a Fund's investments of more than 10% of its assets in the target MMF, (i) if the target MMF is linked to the Management Company as described in the preceding paragraph, there shall be no management fee charged to that portion of the assets of the relevant Fund and (ii) in other cases, the maximum level of management fees that may be charged both to the Fund itself and to the target MMF will not exceed 1%. The Company will indicate in its annual report the total management fees charged both to the relevant Fund and to the target MMF in which such Fund has invested during the relevant period.

(6) The underlying investments held by the targeted MMF in which a Fund invests do not have to be considered for the purpose of the investment restrictions set forth under (C) (1) (I) above.

(7) Any Fund may act as a master fund for other funds.

Notwithstanding the foregoing, a Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more Fund(s) qualifying as Money Market Funds without the Company being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

(I) the target Money Market Fund does not, in turn, invest in the relevant Fund invested in this target Money Market Fund; and

(II) no more than 10% of the assets that the target Money Market Funds whose acquisition is contemplated may be invested in units of other Money Market Funds; and

(III) voting rights, if any, attaching to the shares of the target Money Market Fund are suspended for as long as they are held by the Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(IV) in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Luxembourg Law.

(C) In addition the Company will not:

(1) invest in assets other than those referred to under (A) and (B) above;

(2) short sale Money Market Instruments, securitisations, ABCPs and units or shares of other Money Market Funds ;

(3) take direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them.

(4) enter into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the Fund.

(5) borrowing and lending cash.

(D) The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the Shares are marketed.

Portfolio rules

Standard Variable Net Asset Value Money Market Funds shall also comply on an ongoing basis with all of the following requirements:

(A) its portfolio is to have at all times a Weighted Average Maturity of no more than 6 months;

(B) its portfolio is to have at all times a Weighted Average Life of no more than 12 months, subject to the provisions of the MMFR;

(C) at least 7,5 % of its assets are to be comprised of daily maturing assets, reverse repurchase agreements (if any) which can be terminated by giving prior notice of one working day or cash which can be withdrawn by giving prior notice of one working day. A Fund is not to acquire any asset other than a daily maturing asset when such acquisition would result in that Fund investing less than 7,5 % of its assets in daily maturing assets;

(D) at least 15 % of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements (if any) which can be terminated by giving prior notice of five working days or cash which can be withdrawn by giving prior notice of five working days. A Fund is not to acquire any asset other than a weekly maturing asset

when such acquisition would result in that Fund investing less than 15 % of its assets in weekly maturing assets. Money Market Instruments or units or shares of other Money Market Funds may be included within the weekly maturing assets limit up to 7.5% of its assets provided they are able to be redeemed and settled within five working days.

If the abovementioned limits are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription or redemption rights, the Company shall adopt as a priority objective the correction of that situation, taking due account of the interest of its Shareholders.

Repurchase and reverse repurchase agreements

The Company will, for the time being, not enter into repurchase and reverse repurchase agreements. Should the Company decide to enter into those agreements in the future, the Company will update this Prospectus accordingly and will comply with the Regulations and in particular the MMFR, the CSSF circular 14/592 relating to ESMA guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse.

Internal Credit Quality Assessment Procedure

In accordance with the MMFR, and relevant delegated acts supplementing the MMFR, the Management Company has established, implemented and consistently applies a customized internal credit quality assessment procedure based on prudent, systematic and continuous assessment methodologies for systematically determining the credit quality of the instruments held in the portfolio of the Funds that qualify as Money Market Funds within the meaning of the MMFR.

An effective process has been established by the Management Company to ensure that relevant information on the issuer and the instrument's characteristics are obtained and kept up-to-date. This information includes, but is not limited to, detail on each issuer’s financial accounts, business profile, and the quality of management in addition to industry and market trends.

Determination of credit risk of an issuer or guarantor will be made based on an independent analysis of the issuer’s or guarantor’s ability to repay its debt obligations which uses a mixture of quantitative and qualitative information. The persons in charge of the implementation of internal credit quality assessment procedure constitute a team of credit analysts under the responsibility of the Management Company. The determination of credit risk shall include the following elements, where applicable:

- Financial condition and analysis of recent financial statements;
- Assessment of the issuer's liquidity profile including sources of liquidity;
- Ability to react to future market-wide and issuer- or guarantor-specific events, including the ability to repay in a highly adverse situation;
- Strength of the issuer’s or guarantor within the economy and relative to economic trends and competitive position;
- Credit quality direction (which is an absolute view of how an issuer's credit quality is expected to evolve in the market);
- Sector rankings (they are made on a relative risk basis, linking a credit quality direction with an analyst's view of what is forecast to happen to an issue in the market);
- The rating and outlook provided by external credit rating agencies.

In order to quantify the credit risk of an issuer or guarantor and the relative risk of default of an issuer or guarantor and of an instrument, the following quantitative criteria will be used in the credit quality assessment methodology:

- Bond pricing information, including credit spreads and pricing of comparable fixed income instruments and related securities;
- Pricing of money market instruments relevant to the issuer or guarantor, instrument or industry sector;
- Credit default-swap pricing information, including credit default-swap spreads for comparable instruments;
- Default statistics relating to the issuer or guarantor, instrument, or industry sector;
- Financial Indices relevant to the geographic location, industry sector or asset class of the issuer or instrument;
- Financial information relating to the issuer or guarantor, including profitability ratios, interest coverage leverage metrics, pricing of new issues including the existence of more junior securities.

Specific criteria for the qualitative assessment of the issuer or guarantor and of an instrument as designated by the Management Company will include:

(A) Credit Assessment of the issuer or guarantor of the instrument

  (1) The financial condition of the issuer

    (I) Analysis of the sovereign including explicit and contingent liabilities, the size of foreign exchange reserves and any foreign exchange liabilities etc.

    (II) Analysis of the industry and market in which the issuer operates, and its position within it.

  (2) The financial condition of the guarantor

  (3) The condition of government support

    (I) The level of government ownership or the point at which intervention will take place

    (II) Debt protection or business/financial support

    (III) National policy and the level of economic/systematic importance

(B) The liquidity of the instrument

  (1) The amount of the issue outstanding

  (2) The instruments liquidity as measured by both internal and external liquidity risk applications

(C) The issuer’s rating from external credit rating agencies

(1) External credit ratings are not relied upon, but are used as an initial threshold for suitability using a minimum rating by internationally recognized statistical rating organizations determined by the Management Company.

There will be no mechanistic over-reliance on external ratings given, amongst other factors, the external rating is not forward-looking in nature. Independent, fundamental analysis will therefore be undertaken in order to come to an informed view.

The qualitative and quantitative inputs on which the credit quality assessment methodology is based will be of a reliable nature and well-documented.

Based on the analysis completed, a global favorable or unfavorable assessment on the issuer and on the instrument will be delivered. Unfavorable assessments result automatically in the impossibility of a transaction. Favorable assessments permit the issuer’s inclusion on the approved list of issuers, making transactions possible but do not systematically end with a transaction. Each approved issuer is assigned a maximum maturity for which its issues can be held.

The credit quality of individual issuers is reviewed and updated on a continuous basis. Proactive monitoring of public information that may impact an issuer’s credit quality is key part of the dynamic research process.

In case an issuer's credit quality declines the instruments of which are held in the portfolio of a Fund, the issuer may be designated "do not roll". In these instances, the instruments are either (i) sold or (ii) allowed to expire. In this latter case, the assessment of the credit quality of the instrument must remain favorable and further issues of the same issuer will not be purchased until such a point it recovers a credit quality sufficient to conclude to a favorable assessment of the instruments it issues.

The credit quality assessment methodologies are reviewed at least on annual basis by the Management Company and more often if necessary.

In case there is a material change, within the meaning of the MMFR, that could have an impact on the existing assessment of an instrument or on the credit quality methodologies, a new credit quality assessment will be performed and/or credit quality methodologies will be updated.

Stress scenario analysis is performed at both an individual issuer and a total portfolio level. In the case of individual issuers, stress scenario analysis forms an integral part of the credit research process. It is performed in order to test the robustness of the assumptions used in the credit research process and to ensure that individual issuers are suitably resilient under potentially challenging conditions. Key factors involved in historical scenarios are used to inform forward-looking assumptions of potential future scenarios. Stress scenario analysis is performed on-desk by a dedicated team of credit analysts using proprietary systems, and is performed as frequently as may be necessary.

Appendix V

Pre-contractual Disclosures

Information relating to the environmental and social characteristics or sustainable investment objectives of the Funds is provided in the following Appendix in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Fixed Maturity Bond 8

Legal entity identifier: 63670082OAUB0JS53E57

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Corporate index in Schroders' proprietary tool over the previous

six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/.
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

Quantitative: this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

PAI 7 (Activities negatively affecting biodiversity-sensitive areas)

PAI 8 (Emissions to water)

PAI 9 (Hazardous waste and radioactive waste ratio)

PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

Schroders exclusions regarding:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. For example, in assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4 (Greenhouse gas emissions). We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The Fund invests its assets for a fixed four year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed four year period. The Fund may invest up to 25% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.
- 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.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. 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.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and
- 75% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied in the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to apply the above two binding elements during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental

or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain at least 60% of its assets scored by Schroders' proprietary sustainability tool and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments. During this period the proportion in #2 is expected to be higher.

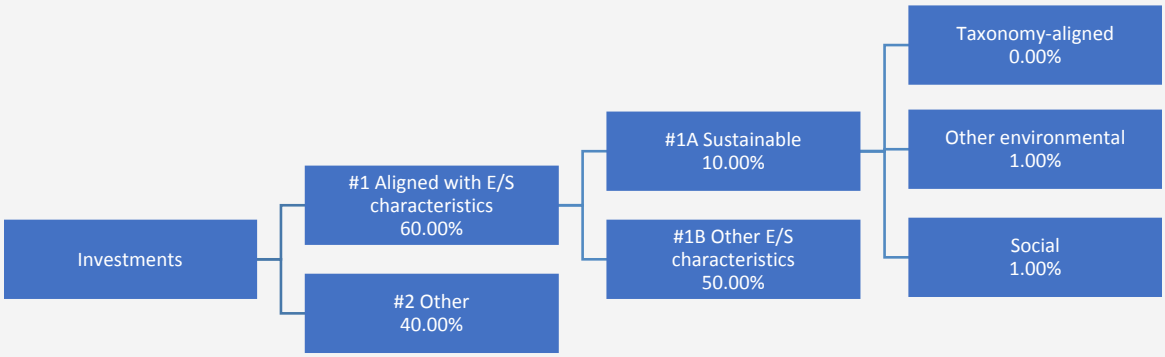
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool and/or (ii) is classified as a green social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment

considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

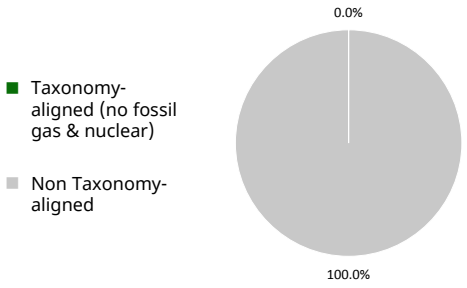
☐ In fossil gas ☐ In nuclear energy

☑ No

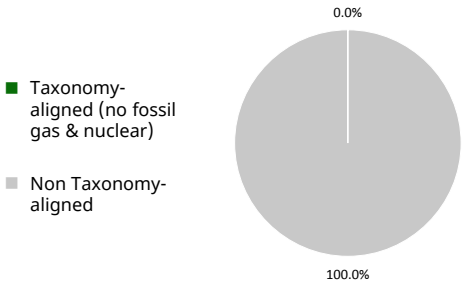
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Fixed Maturity Bond 10

Legal entity identifier: 636700HSYFULPTHQF659

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Corporate index in Schroders' proprietary tool over the previous

six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/.
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

Quantitative: this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

PAI 7 (Activities negatively affecting biodiversity-sensitive areas)

PAI 8 (Emissions to water)

PAI 9 (Hazardous waste and radioactive waste ratio)

PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

Schroders exclusions regarding:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. For example, in assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4 (Greenhouse gas emissions). We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The Fund invests its assets for a fixed three year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed three year period.

The Fund may invest up to 20% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.
- 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.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. 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.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and
- 75% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied in the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to apply the above two binding elements during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds

from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

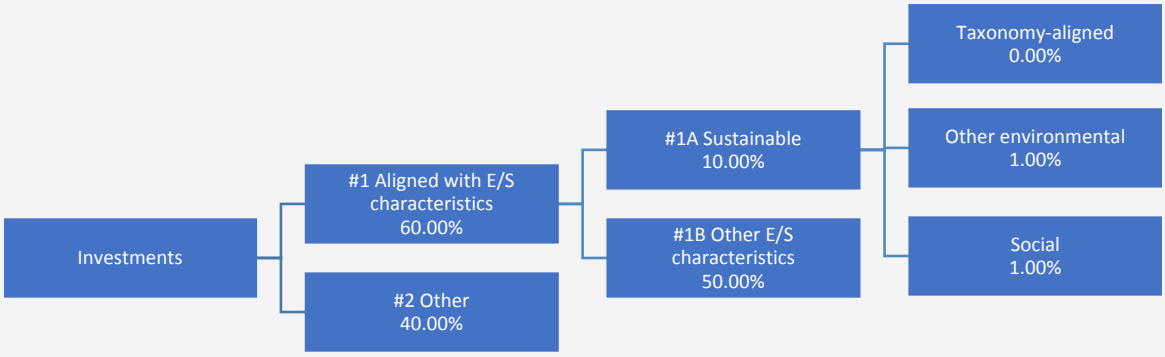
Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain at least 60% of its assets scored by Schroders' proprietary sustainability tool and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments. During this period the proportion in #2 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool and/or (ii) is classified as a green social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

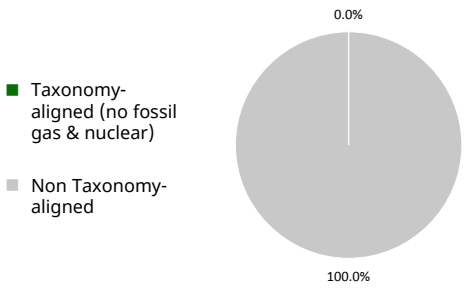
☐ In fossil gas ☐ In nuclear energy

☑ No

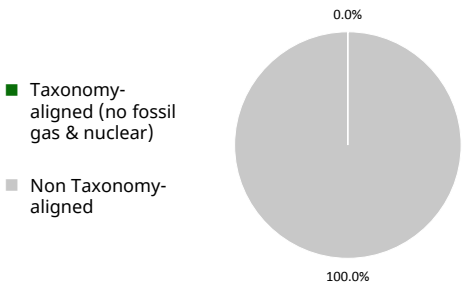
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Fixed Maturity Bond 11

Legal entity identifier: 636700NNVW6N72K9E656

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Corporate index in Schroders' proprietary tool over the previous

six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/.
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

Quantitative: this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

PAI 7 (Activities negatively affecting biodiversity-sensitive areas)

PAI 8 (Emissions to water)

PAI 9 (Hazardous waste and radioactive waste ratio)

PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

Schroders exclusions regarding:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. For example, in assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4 (Greenhouse gas emissions). We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The Fund invests its assets for a fixed three year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed three year period.

The Fund may invest up to 25% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.
- 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.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. 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.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and
- 75% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied in the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to apply the above two binding elements during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds

from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

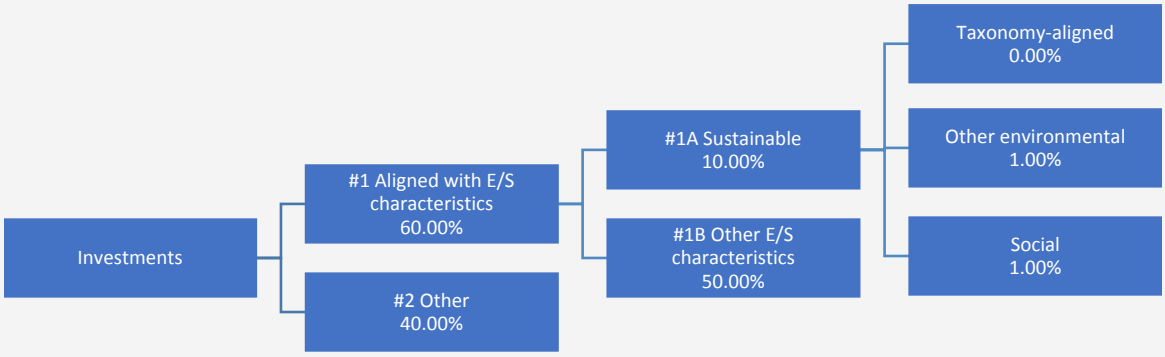
Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain at least 60% of its assets scored by Schroders' proprietary sustainability tool and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments. During this period the proportion in #2 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool and/or (ii) is classified as a green social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

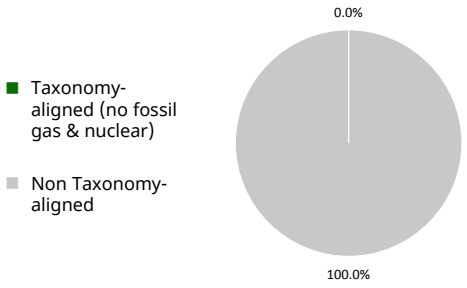
☐ In fossil gas ☐ In nuclear energy

☑ No

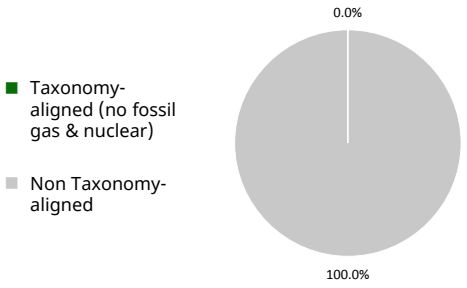
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

How does the designated index differ from a relevant broad market index?

This question is not applicable for the Fund.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Fixed Maturity Bond 12

Legal entity identifier: 6367003IA1SOY5H8EI76

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Corporate index in Schroders' proprietary tool over the previous

six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source, and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/.

The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

human rights, anticorruption and antibribery matters.

Our approach includes:

Quantitative: this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

PAI 7 (Activities negatively affecting biodiversity-sensitive areas)

PAI 8 (Emissions to water)

PAI 9 (Hazardous waste and radioactive waste ratio)

PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

Schroders exclusions regarding:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. For example, in assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4 (Greenhouse gas emissions). We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The Fund invests its assets for a fixed three year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed three-year period.

The Fund may invest up to 25% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.
- 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.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. 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.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

90% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

75% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied in the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to apply the above two binding elements during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain at least 60% of its assets scored by Schroders' proprietary sustainability tool and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments. During this period the proportion in #2 is expected to be higher.

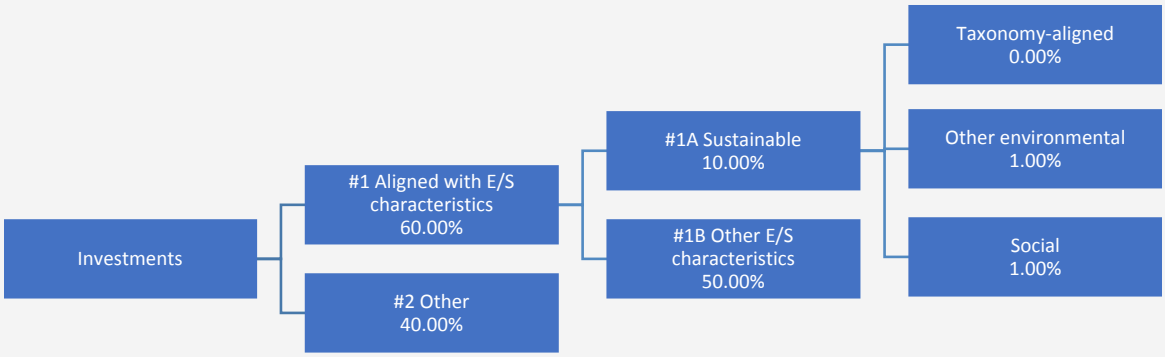
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool or (ii) is classified as a green social and/or sustainable bond using a third-party data source, and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's

management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

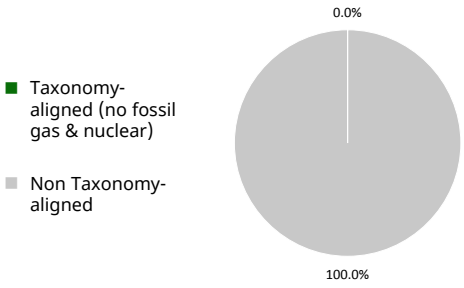
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

criteria include comprehensive safety and waste management rules.

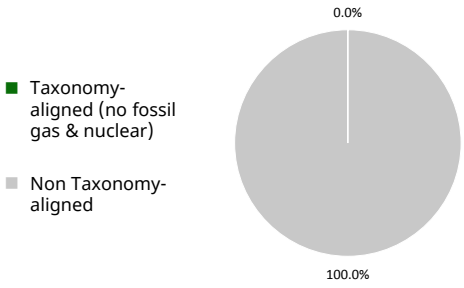
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Fixed Maturity Bond 13*

Legal entity identifier: 636700OHPLHYG2XHPR04

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of sustainable investments with an environmental objective: __%	☑ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10.00% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of sustainable investments with a social objective __%	☐ It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Corporate index in Schroders' proprietary tool over the previous

six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/.

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

human rights, anticorruption and antibribery matters.

Quantitative: this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

PAI 7 (Activities negatively affecting biodiversity-sensitive areas)

PAI 8 (Emissions to water)

PAI 9 (Hazardous waste and radioactive waste ratio)

PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

Schroders exclusions regarding:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. For example, in assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4 (Greenhouse gas emissions). We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85.

The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The Fund invests its assets for a fixed three year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed three-year period.

The Fund may invest up to 25% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.
- 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.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. 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.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

90% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

75% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied in the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to apply the above two binding elements during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and
- 75% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain at least 60% of its assets scored by Schroders' proprietary sustainability tool and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments. During this period the proportion in #2 is expected to be higher.

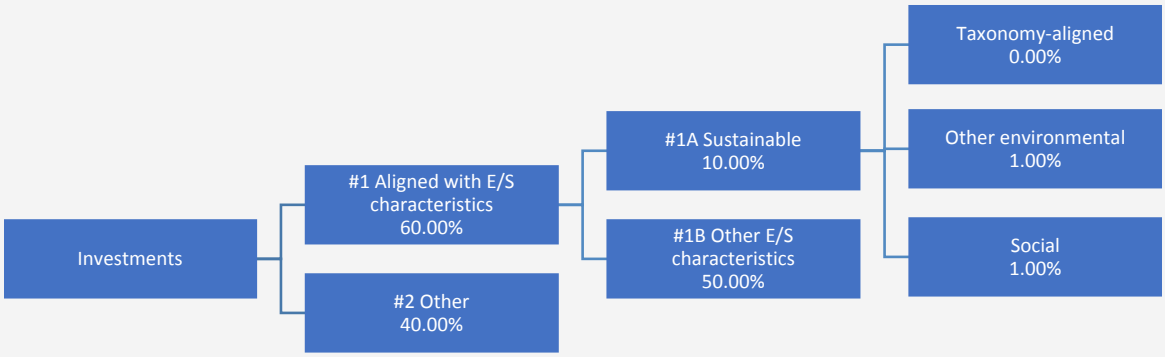
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool and/or (ii) is classified as a green social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's

management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

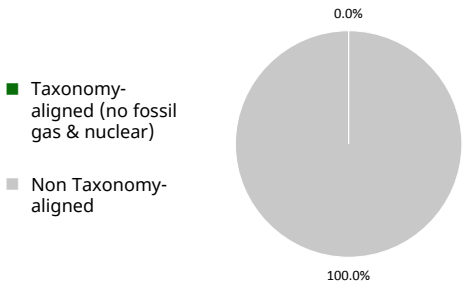
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

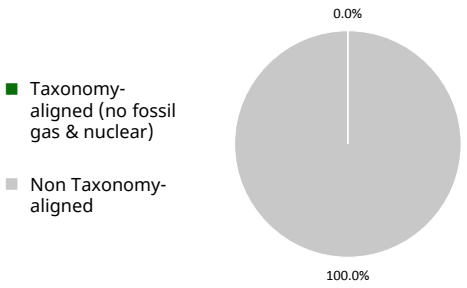
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Fixed Maturity Bond 14*

Legal entity identifier: 636700Z6A3HE62WAO188

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of sustainable investments with an environmental objective: __%	☑ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10.00% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of sustainable investments with a social objective __%	☐ It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Corporate index in Schroders' proprietary tool over the previous

six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/.
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

Quantitative: this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

PAI 7 (Activities negatively affecting biodiversity-sensitive areas)

PAI 8 (Emissions to water)

PAI 9 (Hazardous waste and radioactive waste ratio)

PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

Schroders exclusions regarding:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. For example, in assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4 (Greenhouse gas emissions). We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The Fund invests its assets for a fixed four year period.

The Fund is actively managed and invests at least two-thirds of its assets in EUR-denominated fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, with an effective maturity date within the fixed four year period. The Fund may invest up to 25% of its assets in sub-investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) while also aiming to achieve an average credit rating of investment grade.

The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest up to 30% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Within the six-month period leading up to the Fund's liquidation where investments are either maturing or being sold, the Fund will be authorised to hold up to 100% of its assets in deposits, cash and Money Market Investments. During this six-month period prior to liquidation, the Fund will not fall within the scope of MMFR.

The Fund is designed to be held to maturity and Investors should be prepared to remain invested until the Fund is liquidated (exact date to be determined by the Directors).

The Directors will write to Investors to inform them of the exact date of liquidation and of the options available to them. From the issuance of this letter, any redemption charges in place will no longer apply.

Investors should be aware that the net asset value of the shares at the end of the investment period or thereafter may be less than the net asset value at the time of the original investment as a consequence of the Fund's distribution policy or market movements.

Whilst it is intended that the Fund will hold securities until maturity, the Investment Manager has the discretion to sell them prior to their maturity.

The investment policy and strategy of the Fund may be similar or close to those of other funds. However, the Fund may be launched on a different date and so the Fund's portfolio will differ from the portfolio of these other funds as it will reflect an investment universe determined by the Investment Manager in accordance with prevailing market conditions, Investors' requirements as well as the recommended retention period at the launch date.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.
- 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.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. 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.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and
- 75% of the portion of the Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied in the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to apply the above two binding elements during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental

or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's Net Asset Value composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

Due to the fixed maturity nature of the Fund, it will not be possible for the Fund to maintain at least 60% of its assets scored by Schroders' proprietary sustainability tool and invest at least 10% of its assets in sustainable investments during the six months prior to the Fund's liquidation, when it is expected that the Fund will hold up to 100% of its assets in deposits, cash and Money Market Investments. During this period the proportion in #2 is expected to be higher.

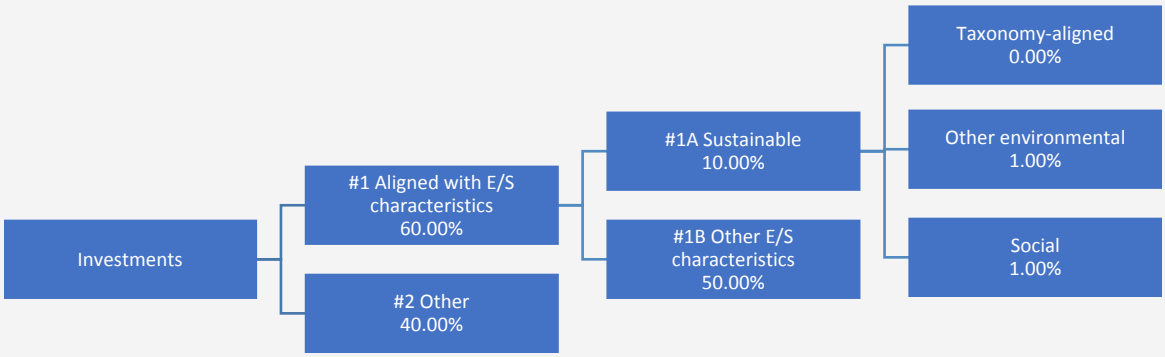
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool and/or (ii) is classified as a green social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment

considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

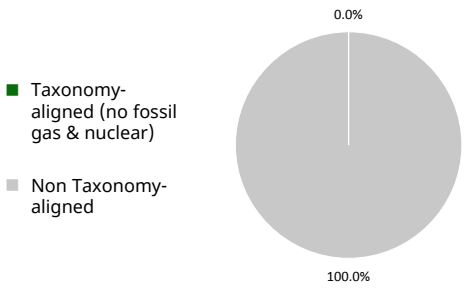
☐ In fossil gas o In nuclear energy

☑ No

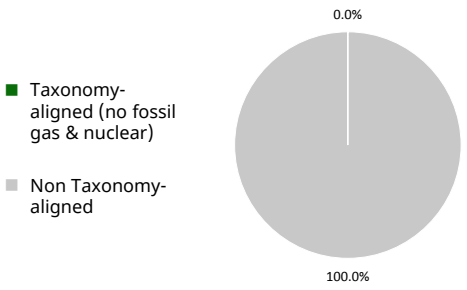
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund QEP Global Core

Legal entity identifier: 6367002FQ3XC9VEHP511

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●●	☐ Yes	●○	☑ No
☐	It will make a minimum of sustainable investments with an environmental objective: __%	☑	It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25.00% of sustainable investments
	☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy		☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
	☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy		☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
			☑ with a social objective
☐	It will make a minimum of sustainable investments with a social objective __%	☐	It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC World (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference (i) to the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates either (i) a net positive effect on across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/sustainability/active-ownership/group-exclusions/.
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)

- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

– 2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework. PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard. Within the proprietary sustainability framework applied within the Fund's quantitative investment process, the following aspects are taken into account:

Greenhouse gas emissions, greenhouse gas intensity of investment companies (including carbon footprint), exposure to companies active in the fossil fuel sector: PAI 1,2, 3 and 4.

Activities negatively affecting biodiversity sensitive areas, emissions to water, hazardous waste: PAI 7, 8 and 9.

Unadjusted gender pay gap, board diversity: PAI 12 and 13.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with investee companies on the subject of climate change, where we seek to understand a range of companies' transition to net zero and the strategies and policies in place to manage decarbonisation efforts. These engagements relate to PAI 1, 2, 3, 4, 5 and 6.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

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 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 have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 10% of its assets directly or indirectly (for example via participatory notes) in China A-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 up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may invest up to 20% of its assets in emerging markets.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will take into account an assessment of the sustainability profile of companies when determining position sizing within the portfolio.

Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflect areas such as business involvement, safety, employee welfare, supply chain management and data privacy.

The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom-rated 20% of stocks within the investment universe are excluded.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity-related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom-rated 20% of stocks within the investment universe are excluded.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Governance is a key dimension within the proprietary sustainability framework applied within the Fund's quantitative investment process. Our governance assessment is applied universally, across our entire investment universe, rewarding highly rated companies whilst penalising those with poorer standards and actively avoiding the worst. We include a breadth of underlying terms within our governance assessment, capturing material areas such as management structure (including board independence) alongside accounting quality, the treatment of shareholders by assessing ownership structures & dividend policy as well as measuring shareholder dissent. The full range of inputs included within our governance framework is included beneath.

Dividend Policy: Reward sustainable and increasing pay outs, asymmetric penalty for cuts

Accounting Risk: Over 20 key red flags including working capital stress, expense & revenue recognition and asset & liability valuation

Risks to Shareholders: Penalise higher risk ownership structures and elevated exchange related risks

Business Oversight: Reward independence and efficient structure of the board & key committees, asymmetric penalty for lower independence

Innovation: Reward firms with positive R&D relative to revenue generation

QEP Country Risk Monitor: Penalise poor country level governance standards. Political & Governance risk used as a conditional criteria

Social risks are inherently driven by the nature of the underlying business as well as management decisions. We consider seven inputs within our social framework. It is recognised that the extent to which these arise depends upon the industry the company operates in. For example, product quality is a key measure for manufacturing and consumer businesses which is why we focus on product recalls, particularly for high impact industries such as pharmaceuticals. By way of another example, data privacy is

material for an increasing number of companies but is especially important for IT services and financials. However, where areas of concern are universal to companies we will apply penalties to companies globally, including for areas such as excessive employee turnover and tax avoidance.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

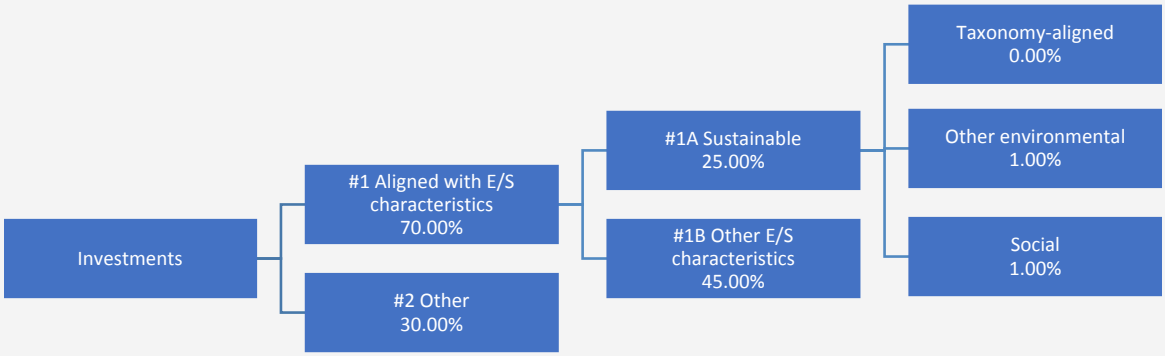
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In the future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

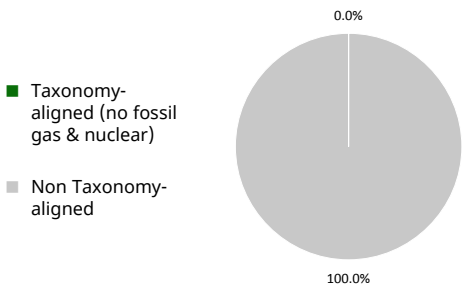
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

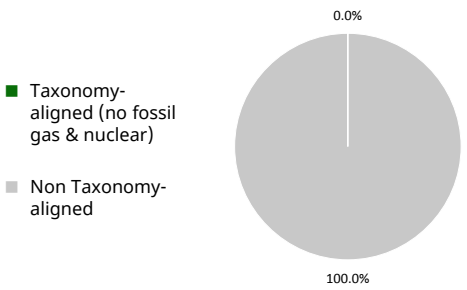
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Optimum Euro Credit

Legal entity identifier: 636700BXW85HO74US253

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. It also maintains a carbon intensity (Scope 1 and 2) at least 20% below that of the ICE BofA Euro Corporate index, based on the Weighted Average Carbon Intensity (WACI). This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The carbon intensity is a measure of the portfolio's exposure to carbon-intensive companies. It is expressed as the carbon emissions per million dollars of revenue and displayed as metric tons CO2e / $M revenue. The carbon intensity is measured using data from a third party provider. Where a data point is not available, the provider may make use of estimated data.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Corporate index in Schroders' proprietary tool over the previous

six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager monitors compliance with the characteristic to maintain a carbon intensity (Scope 1 and 2) at least 20% below that of the ICE BofA Euro Corporate index by reference to the Weighted Average Carbon Intensity (WACI) in metric tons CO2e / $M revenue based on quarterly holdings using data from a third party provider.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/sustainability/active-ownership/group-exclusions/.
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages,

and employee matters, respect for human rights, anticorruption and antibribery matters.

where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.
- 2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
Schroders exclusions regarding:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuers' overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

The Fund may invest:

- up to 10% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in sovereign government bonds;
- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 10% of its assets in convertible bonds including contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. It also maintains a carbon intensity (Scope 1 and 2) at least 20% below that of the ICE BofA Euro Corporate index.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. 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.

Companies in the investment universe are subject to analysis related to their individual total scope 1 & 2 carbon emissions. The sources of information used to perform the analysis include Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index based on the Investment Manager's rating criteria. It also maintains a carbon intensity (Scope 1 and 2) at least 20% below that of the ICE BofA Euro Corporate index, based on the Weighted Average Carbon Intensity (WACI).
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

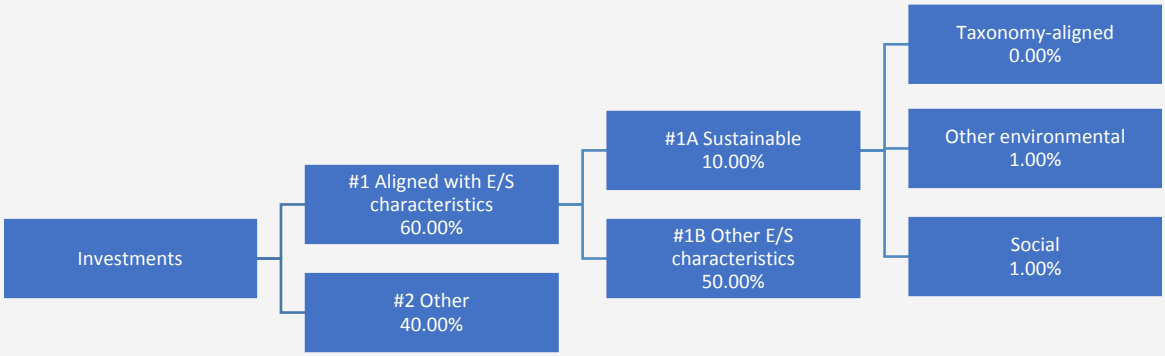
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score.)

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In the future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

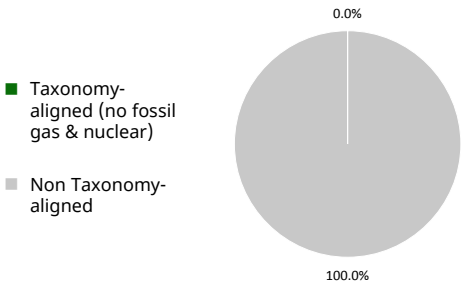
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

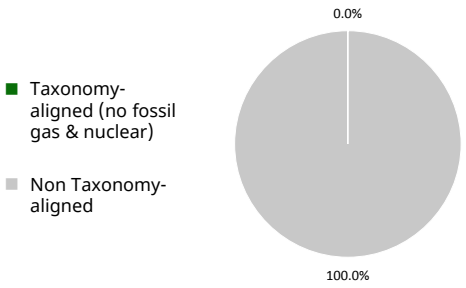
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Sustainable Diversified Alternative Assets

Legal entity identifier: 549300J70CGB03RQ4E29

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund invests at least 50% of its assets directly or indirectly in sustainable investments, which are investments that the Investment Manager considers to benefit stakeholders (such as employees and communities) and/or to contribute to solutions by helping to advance one or more of the UN SDGs. Examples of sustainable investments include:

- Benefit stakeholder ('B') investments – a supermarket which pays more than the living wage and provides training to employees, supporting their professional development and prosperity.
- 'Contribute to solutions ('C')' investments – wind and solar farms (SDG 7 – Affordable and Clean Energy), or care homes for elderly people (SDG 3 – Good Health and Wellbeing).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager considers an investment to Benefit stakeholders if it (1) achieves a positive score in Schroders' proprietary sustainability tool; or (2) is classified as a sustainability-linked bond (SLB). The Investment Manager considers an investment to Contribute to solutions if it (3) generates at least 90% of its revenue from products and/or services that contribute to one or more of the UN SDGs based on Schroders' systematic model; (4) is classified as a green, social or sustainable (GSS) bond; or (5) passes the Investment Manager's alternative assets assessment, which means at least 90% of the investment's activities are helping to advance one or more UN SDGs. At least 80% of the Fund's assets are assessed against one or more of these frameworks (1) - (5). Investments that do not meet (1) or (3) may be deemed sustainable on an exceptional basis by Schroders. All investments in (5) are subject to internal approval by Schroders.

For direct investments, this analysis is done on the investment itself; for indirect investments, this analysis is done at the underlying asset level and then aggregated up to the level of the Investment Fund and/or Investment Trust (for example, a fund might have 80% in sustainable investments, of which 20% are deemed to Benefit stakeholders and 60% are deemed to Contribute to solutions).

The Fund invests at least 50% of its assets in 'B' and/or 'C' investments. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

As explained above, a sustainable investment is one where the direct investment or the underlying assets within an indirect investment 'Benefit stakeholders' or 'Contribute to solutions'.

An asset is considered to 'Benefit stakeholders' by making a positive contribution to people and/or the planet. This includes contributions to: (1) the environment (such as reducing greenhouse gas emissions, which helps slow down climate change); (2) employee wellbeing (such as paying more than living wages and providing training to employees, which supports their professional development and prosperity); (3) consumer wellbeing (such as developing new products and services that improve customers' quality of life, for example medical drugs, therapies, diagnostic tools and healthy food); (4) healthy, inclusive and connected communities (such as providing access to clean water and sanitation, which promotes good health); and/or (5) effective and accountable institutions (such as promoting financial stability, which supports people's prosperity and financial security). These are typically assets that are run in a sustainable way (based on one or more of these stakeholder areas), although their products, services or projects can also make a positive contribution.

An asset is considered to 'Contribute to solutions' by helping to advance one or more of the UN SDGs. These are grouped into five UN SDG Themes:

- Inclusion - SDG 1 No Poverty, SDG 4 Quality Education, SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, SDG 10 Reduce inequalities. For example, through providing education services (to ensure availability of inclusive and equitable quality education and ongoing learning opportunities) or providing digital connectivity (which supports broadening access to the internet, offering individuals improved opportunities for civic engagement, participation, and agency, and to develop digital skills);

- Health and wellbeing - SDG 3 Health and Wellbeing, SDG 6 Clean Water and Sanitation. For example, through providing healthcare services (which contribute to improving health outcomes, enhancing quality of life, and reduce the impact of diseases on individuals and communities), water filtration or sanitation facilities (which prevent the spread of diseases and promotes good health and hygiene);

- Climate change - SDG 7 Clean and Affordable Energy, SDG 13 Climate Change. For example, through providing renewable energy solutions, battery storage, fuel cells or carbon capture technology (which help reduce greenhouse gas emissions, make energy more affordable, and combat climate change);

- Responsible consumption - SDG 2 Zero Hunger, SDG 14 Life Below Water, SDG 15 Life on Land, SDG 12 Responsible Consumption & Production. For example, through providing recycled packaging (which reduces the demand for raw materials, decreases waste sent to landfill, and supports the circular economy)

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

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/.

The Fund excludes direct investments that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

The Fund excludes direct investments in companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained the UN Global Compact

(UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.

The Fund may also apply certain other exclusions in addition to those summarised above on direct and indirect investments

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds (for example within direct investments), the Investment Manager engages, where relevant. Investments deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of an investment's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach for direct investments includes:

Quantitative: this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

PAI 7 (Activities negatively affecting biodiversity-sensitive areas)

PAI 8 (Emissions to water)

PAI 9 (Hazardous waste and radioactive waste ratio)

PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Direct investments in companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

☑ No, given the nature of the Fund's underlying assets, which are in Alternative Asset Classes such as infrastructure, securitised assets and renewables (instead of companies and sovereign debt), and that the assets are primarily held indirectly through Investment Funds and/or Investment Trusts, the data availability and completeness is challenging for these assets. The Investment Manager therefore cannot systematically consider adverse impacts applicable to these asset classes. However, efforts to assess the potential to cause significant adverse impacts on society for these assets, where the data is available, are undertaken.



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (through Investment Funds and/or Investment Trusts) in Alternative Asset Classes worldwide.

The Fund will invest across a range of diversified assets through collective investment schemes, Investment Trusts, Exchange Traded Funds, real estate investment trusts or closed-ended funds. Examples of asset classification shall include (but are not limited to) infrastructure, property, private equity, renewables, fixed income, securitised assets and gold. Allocations to these asset classes will vary from time to time depending on market conditions. Asset allocation and position sizing is determined on the basis of the underlying exposure, country, product type, market, size, liquidity and instrument type of the investment. The asset allocation is monitored at the portfolio level to ensure sufficient diversification.

The Fund invests at least 50% of its assets directly or indirectly in sustainable investments, which are investments that the Investment Manager considers to benefit stakeholders (such as employees and communities) and/or contribute to solutions by helping to advance one or more of the UN SDGs. Such sustainable investments do not cause significant environmental or social harm as determined by the Investment Manager's exclusion criteria.

The Fund does not directly or indirectly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests directly and indirectly in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may have an indirect exposure to distressed securities, contingent convertible bonds, asset-backed securities, mortgage-backed securities and high yield securities. The Fund may also invest indirectly up to 10% of its assets in commodities. The exposure to commodities, real estate and other Alternative Asset Classes will be achieved through eligible assets (such as exchange traded funds, exchange traded commodities, closed-ended REITs or open-ended Investment Funds) as described under the definition of "Alternative Asset Classes" in Appendix IV of this Prospectus.

The Fund may invest up to 20% of its assets in China, either directly (for example, via Bond Connect) or indirectly through mainland China focused Investment Funds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund may invest up to 10% of its assets in open-ended Investment Funds (including other Schroder Funds).

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

The Fund invests at least 50% of its assets directly and/or indirectly in sustainable investments – those defined as 'Benefitting stakeholders' ('B') and/or 'Contributing to solutions' ('C'). At least 80% of the Fund's assets will be assessed against one or more of the frameworks used to determine whether an investment Benefits stakeholders or Contributes to solutions.

All investments (directly and indirectly) must demonstrate that they do not cause significant environmental or social harm as defined by the Investment Manager's exclusion criteria (see above).

Details of the revenue thresholds for these exclusions together with certain other exclusions the Fund applies are listed under "Sustainability-Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager assesses good governance practices of both indirect and direct investments.

In considering good governance practices for indirect investments, each investment manager of an Investment Fund and/or Investment Trust in the portfolio is assessed against four key pillars: (1) credentials; (2) culture; (3) capabilities; and (4) stewardship. Each investment fund manager is given an overall rating from 1 (lowest) to 5 (highest). The Investment Manager asks further questions relating to each fund's investment strategy to understand the specific good governance practices within the fund itself – this is attested to on an annual basis.

For direct investments, the Investment Manager utilises a Schroders' proprietary tool to help it develop a complete understanding of a company through a stakeholder lens in order to assess good governance practices.

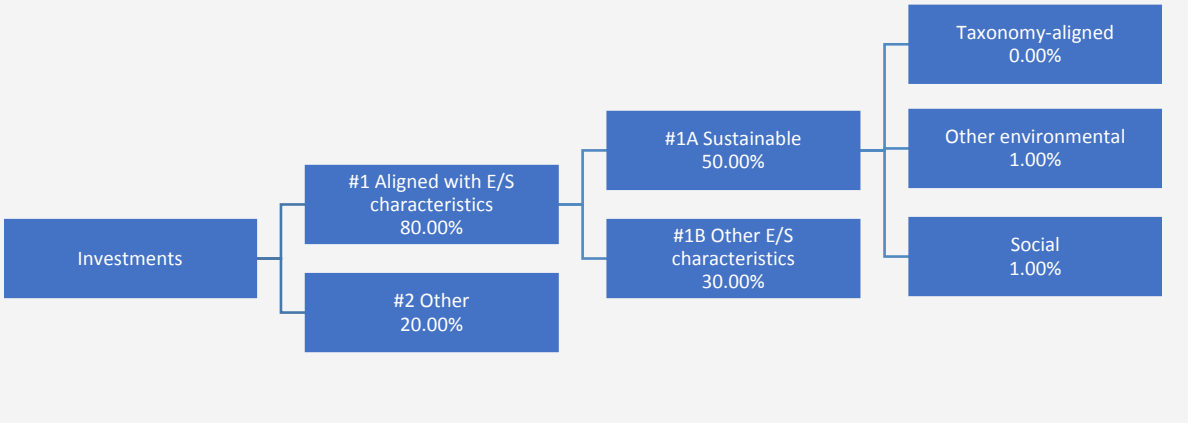
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. This means that at least 80% of the Fund's assets will be assessed against one or more of the frameworks used to determine whether an investment Benefits stakeholders or Contributes to solutions. The Fund invests at least 50% of its assets in sustainable investments on a look-through basis, which means included in #1A are direct or indirect investments in Alternative Asset Classes worldwide which the Investment Manager considers to benefit stakeholders (such as employees and communities) and/or contribute to solutions by helping to advance one or more of the UN SDGs and/or deemed sustainable on an exceptional basis by Schroders. **#2 Other** includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying assets are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

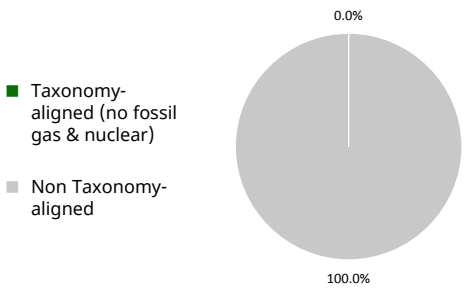
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

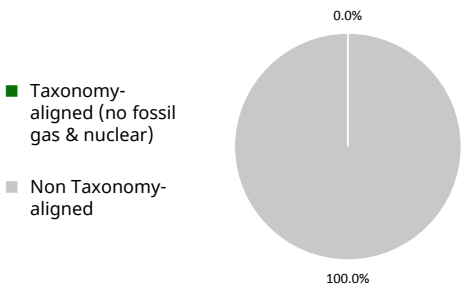
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Wealth Management Global Sustainable Equity

Legal entity identifier: 63670067I8FHN5WD7Q38

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC World (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance

with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroder Funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/.
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage www.schroders.com/en-lu/lu/individual/fund-centre/.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

Quantitative: this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

PAI 7 (Activities negatively affecting biodiversity-sensitive areas)

PAI 8 (Emissions to water)

PAI 9 (Hazardous waste and radioactive waste ratio)

PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and Voluntary **PAI 4** in Table 2 (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

Schroders exclusions regarding:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered and integrated into the investment process through the stakeholder analysis that is central to the appraisal and selection of companies deemed suitable for the Fund. The process examines companies' operations and activities across seven stakeholder groups in order to determine the long-term sustainable growth attributes of the companies being analysed, and PAIs directly contribute to this assessment. In assessing an issuer's overall environmental score, PAIs 1, 2, 3 and 7 are included. In assessing an issuer's overall social score, PAIs 12 and 13 are included. All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report. ☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund typically holds fewer than 50 companies.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via www.schroders.com/en-lu/lu/individual/fund-centre/

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Companies are assessed and rated against a set of questions covering issues such as respect for the environment; fair and equitable treatment of employees, suppliers and customers; corporate citizenship; capital allocation and governance.

The Investment Manager will decide on a case by case basis whether a company is eligible for inclusion in the investible universe, taking into account these ratings. While all companies are assessed against all questions, the Investment Manager's decision will focus on those areas that are most relevant to the particular business of that company. In these areas, the company should generally be appraised as at least "strong" in order to be accepted into the investible universe. The eligibility of each company in the Fund's portfolio is then reviewed at least annually.

The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools, third-party research, unconventional data sourced by our Data Insights Unit, NGO reports and expert networks. The Investment Manager also scrutinises company sustainability reports and other disclosures, which may be complemented by direct engagement with the company during the assessment process.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

The Fund also considers companies' commitments to decarbonisation, which may be taken into account when selecting investments. The Investment Manager analyses relevant data on a company, such as decarbonisation progress and targets, in order to assess the company against the Investment Manager's alignment criteria. By

considering decarbonisation through this methodology, the Fund may be able to achieve net zero emissions by 2050. However, this does not form part of the Fund's objectives and there is no guarantee that the Fund will be able to do so.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage www.schroders.com/en-lu/lu/individual/fund-centre/
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars. Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

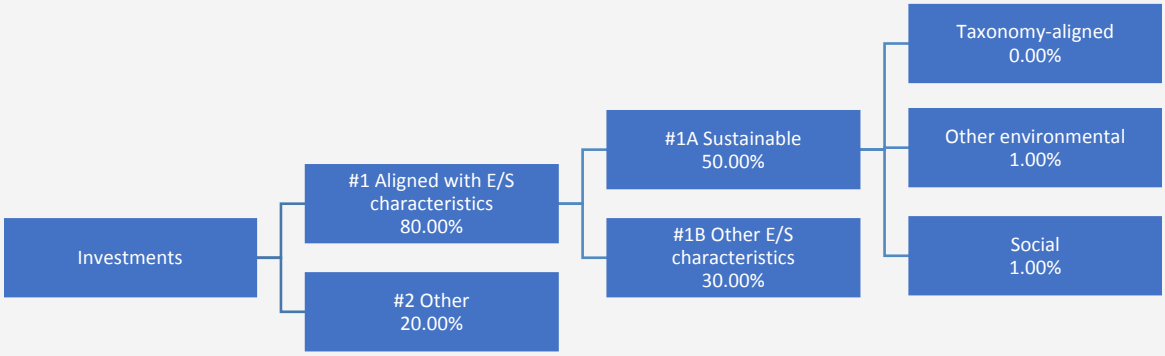
The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders.

A sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

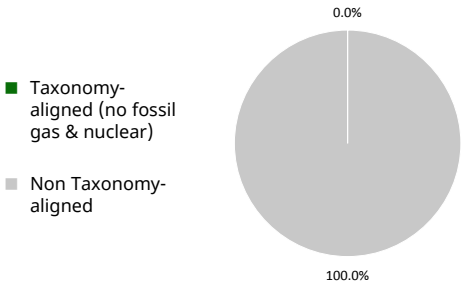
☐ In fossil gas ☐ In nuclear energy

☑ No

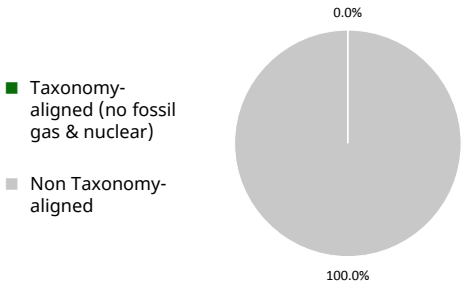
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage www.schroders.com/en-lu/lu/individual/fund-centre/

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder Special Situations Fund Wealth Management Sustainable Sovereign Bond

Legal entity identifier: 636700LL9E13QE96BT72

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **80.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund invests at least 80% of its assets in sustainable investments, which are investments in sovereign bonds issued by countries that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s). The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria.

The Investment Manager uses Schroders' proprietary sustainability tool to score countries based on sustainability metrics. The assessment provides an aggregate estimate of the social and environmental costs and benefits an issuer may create and considers a range of metrics including but not limited to education, financial stability, infrastructure and commitments to addressing climate and environmental issues. The Investment Manager assesses countries political considerations and civil liberties and considers these can impact the creditworthiness of a sovereign.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to invest at least 80% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond (iii) and/or whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party source (iii) and/or contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes applying certain exclusions as detailed in the "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre/.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators applicable to investments in sovereigns involves a quantitative assessment. Sovereigns deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a sovereign's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our quantitative approach includes indicators where specific thresholds have been established via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, including **PAI 15** (GHG intensity of investee countries) and **PAI 16** (Investee countries subject to social violations) . **PAI 15** (GHG intensity of investee countries) is based on carbon intensity data, and **PAI 16** (Investee countries subject to social violations) is based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a sovereign's performance in the relevant area. Sovereigns deemed to cause significant harm are excluded from the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund does not invest in corporates, so the OECD Guidelines for Multinational Enterprises are not applicable to the Fund's sustainable investments (which are sovereign bonds). The sustainable investments are aligned with the UN Guiding Principles on Business and Human Rights through the application of certain exclusions applicable to countries.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions.

The nature of this Fund is such that it does not invest in corporate bonds and hence in practice corporate exclusions are less important than for other Funds. Nonetheless, those formally applied include Schroders firmwide corporate exclusions regarding:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

There tend to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers (in which this Fund does not invest), but nonetheless we aim to engage with sovereign issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity). Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is passively managed and aims to reflect the performance of the Index. The Fund will invest at least 80% of its assets in fixed and floating rate securities issued by governments worldwide.

The Investment Manager will use a sampling approach to optimise the portfolio with the aim of reflecting the key characteristics of the Index without replicating or holding every security included in the Index, and to minimise portfolio transaction costs and rebalancing.

The Fund invests at least two-thirds of the assets of the Fund in constituent securities of the Index but may vary from this target on a temporary basis and if this is in the best interest of the shareholders, depending on market conditions, high volume of subscriptions in the Fund, or other factors outside of its control (such as for example a rebalancing of the Index). The Fund and/or the Investment Manager also have the discretion to vary the weightings in the Index's securities.

The tracking error of the Fund compared to the Index is anticipated to be up to 1.00% per year during normal market conditions. Tracking error is a measure of how closely the performance of the Fund moves in line with the Index.

Factors which may impact the tracking error include, but are not limited to: differences in country weightings due to sustainability requirements; the weightings of securities in the Fund compared to the Index; transaction costs; fund expenses (as set out in Section 3 of the Prospectus); investments in Money Market Investments or cash. It should also be noted that exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets, may arise which cause the Fund's tracking accuracy to diverge substantially from the Index.

The Fund may invest up to 15% of its net assets in emerging markets.

The Fund may also invest in Money Market Investments and hold cash (subject to the restrictions provided in Appendix I).

The Fund invests at least 80% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

The Investment Manager uses Schroders' proprietary sustainability tool to score countries based on sustainability metrics. The assessment provides an aggregate estimate of the societal and environmental costs and benefits an issuer may create and considers a range of metrics including but not limited to education, financial stability, infrastructure and commitments to addressing climate and environmental issues. The Investment Manager assesses countries political considerations and civil liberties and considers these can impact the creditworthiness of a sovereign.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund invests at least 80% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- The Fund applies certain exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre/

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Fund does not invest in corporates, so it does not need to assess good governance practices as there are no investee companies held.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%.

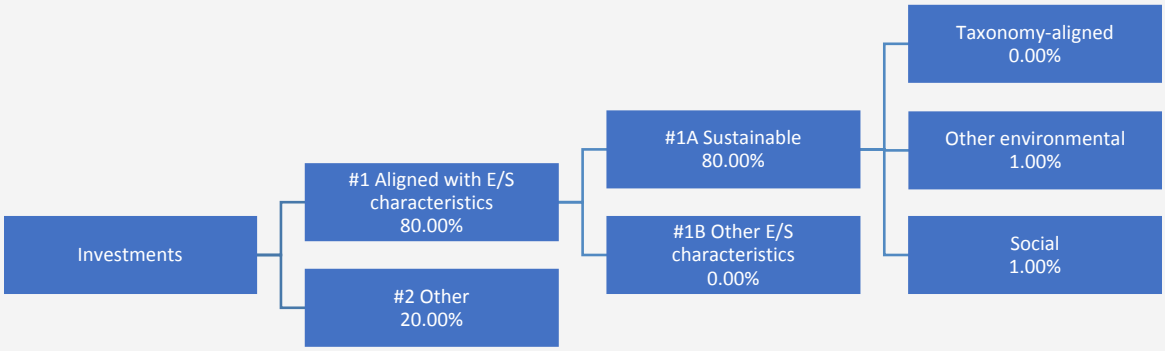
The Fund invests at least 80% of its assets in sustainable investments, which means included in #1 and #1A are investments in sovereign bonds issued by countries that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s). The minimum proportions stated apply in normal market conditions. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool and/or (ii) is classified as a green social and/or sustainable bond using a third party source, (iii) and/or contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes any investments that are not aligned with the environmental or social characteristics of the Fund.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's

management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

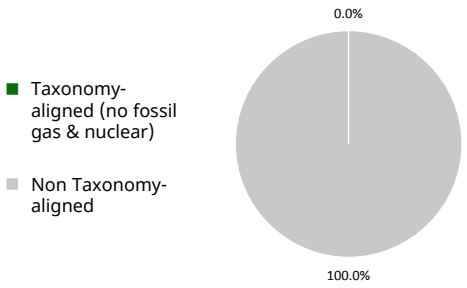
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

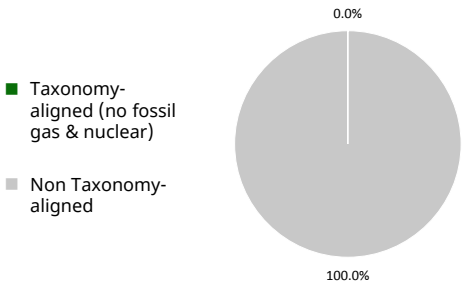
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes any investments that are not aligned with the environmental or social characteristics of the Fund.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre/

Appendix VI

Other Information

A list of all Funds and Share Classes may be obtained, free of charge and upon request, from the registered office of the Company and on the webpage www.schroders.com



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