

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

# Schroder Sustainable Bond Fund

an Authorised Unit Trust of Schroder Unit Trusts Limited

Class Z Accumulation GBP (GB00B57BFC79)

This fund is managed by Schroder Unit Trusts Limited, which is a member of the Schroders Group.

## Objectives and investment policy

### Objectives

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

### Investment Policy

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

The fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds) and money market instruments and hold cash. The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).

The fund may use leverage and take short positions.

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

- Planet. This includes contributions to the environment - such as reducing greenhouse gas (GHG) emissions, which helps slow down climate change. and/or
- People. This includes contributions to one or more of the following:
  - Workforce wellbeing - such as a company paying more than living wages or providing education and training, or a sovereign providing education and protecting human rights.
  - public and consumer wellbeing - such as a company developing new products and services that improve customers' quality of life or a sovereign setting policies against cybercrime.

- healthy, inclusive and connected communities – such as a company providing access to clean water and sanitation or a sovereign setting policies that tackle discrimination.

- effective and accountable institutions – such as a company promoting financial stability or a sovereign setting policies that support sociopolitical stability (which leads to a safer and more prosperous society).

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

In some exceptional cases, SustainEx™ does not provide a fair reflection of an issuer's contribution to people and/or the planet. The investment manager can refer such investments to Schroders' Sustainable Investment Panel (the "Panel"), an independent panel of experts.

The fund may also invest in green, social or sustainable bonds ("GSS Bonds") as part of the 70% referred to above. For these investments, the investment manager does not take into account the SustainEx™ score of the issuer, but instead analyses the use of proceeds of the GSS Bond to determine whether a positive contribution to the planet or people can be expected as a result of the specific activity that the bond is designed to finance.

The fund is not permitted to invest in any assets that conflict with the sustainability objective. The investment manager also engages with selected companies held by the fund on sustainability issues.

Please see the fund's Consumer Facing Disclosure, available via <https://www.schroders.com/en-gb/uk/individual/fund-centre> for more details on the investment manager's approach to sustainability.

### Benchmark

The fund's performance should be assessed against its target benchmark of the ICE BofA Sterling 3-Month Government Bill Index plus 2.5% and compared against the Investment Association Sterling Strategic Bond sector average return. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.

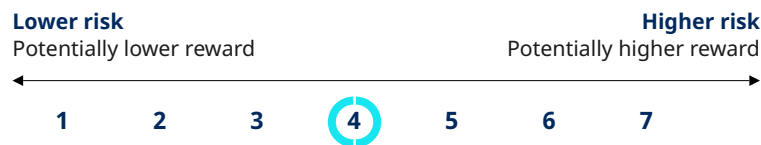
### Dealing Frequency

You may redeem your investment upon demand. This fund deals daily.

### Distribution Policy

This unit class accumulates income received from the fund's investments, meaning it is kept in the fund and its value is reflected in the price of the unit class.

## Risk and reward profile



### The risk and reward indicator

The risk category is based upon the fund's risk target and there is no guarantee that the fund will achieve it.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk-free investment.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

### Risk factors

**ABS and MBS risk:** The fund may invest in mortgage or asset-backed securities. The underlying borrowers of these securities may not be able to pay back the full amount that they owe, which may result in losses to the fund.

**Counterparty risk:** The fund may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the fund may be lost in part or in whole.

**Contingent convertible bonds risk:** The fund may invest in contingent convertible bonds which are bonds that convert to shares if the bond issuer's financial health deteriorates. A reduction in the financial strength of the issuer may result in losses to the fund.

**Performance risk:** Investment objectives express an intended result but there is

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

**Sustainable Investing Risk:** The fund applies sustainability criteria in its selection of investments. This investment focus may limit the fund's exposure to assets, companies, industries or sectors and the fund may forego investment opportunities that do not align with its sustainability criteria chosen by the investment manager. As investors may differ in their views of what constitutes sustainability, the fund may invest in companies that do not reflect the beliefs or values of any particular investor.

**Credit risk:** If a borrower of debt provided by the fund or a bond issuer experiences a decline in financial health, their ability to make payments of interest and principal may be affected, which may cause a decline in the value of the fund.

**Currency risk:** If the fund's investments are denominated in currencies different to the fund's base currency, the fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates. If the investor holds a share class in a different currency to the base currency of the fund, investors may be exposed to losses as a result of movements in currency rates.

**Derivatives risk:** Derivatives, which are financial instruments deriving their value from an underlying asset, may be used for investment purposes and/or to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

**High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk meaning greater

uncertainty of returns.

Interest rate risk: The fund may lose value as a direct result of interest rate changes.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause

## Charges

### One-off charges taken before or after you invest

**Entry charge** None

**Exit charge** None

This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.

### Charges taken from the fund over a year

**Ongoing charges** 0.50%

### Charges taken from the fund under certain specific conditions

#### Performance fee

None

the fund to defer or suspend redemptions of its shares, meaning investors may not be able to have immediate access to their holdings.

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

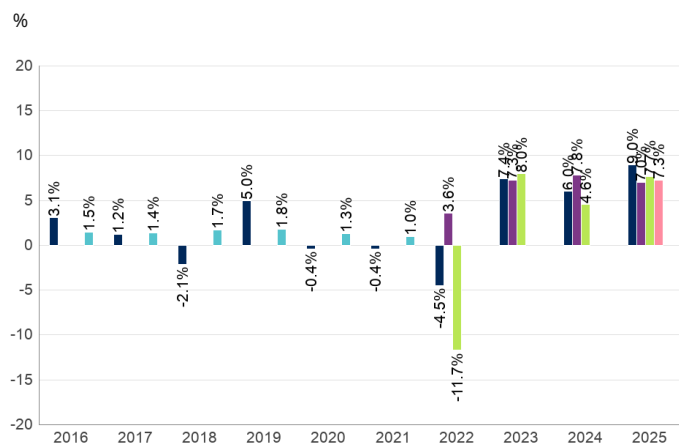
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures and in some cases you might pay less. You can find out the actual entry and exit charges from your financial advisor.

The ongoing charges figure is based on the last year's expenses for the year ending December 2025 and may vary from year to year. The ongoing charge figure excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Schroders Annual Charge (as may be discounted for retail unit classes depending on the size of the fund) but certain additional expenses may be charged as set out in the prospectus. The Schroders Annual Charge (without any discount) for this unit class of the fund is 0.50%. The fund's annual report for each financial year will include details on the exact charges made including any discounts.

Please see the prospectus for more details about the charges.

## Past performance



Performance achieved between 2009 and 2017 was achieved in circumstances that no longer apply.

The fund's objective and benchmark were changed on 28 June 2021. The past performance in the above table is based on the target benchmark: 3 month GBP LIBOR +1%, prior to this date. From 28 June 2021 to 21 February 2022, this table shows past performance based on the target benchmark: ICE BofA Sterling 3-Month Government Bill Index +1%. From 22 February 2022 to 13 April 2025, this table shows past performance based on the new objective and benchmarks (Target benchmark: ICE BofA Sterling 3-Month Government Bill Index +2.5%. Comparator benchmark: Investment Association Strategic Bond sector average return). From 14 April 2025, this table will show past performance based on the benchmarks (Target benchmark: ICE BofA Sterling 3-Month Government Bill Index +2.5%. Comparator benchmarks: Investment Association Strategic Bond sector average return & Bloomberg Multiverse ex Treasuries A+ to B- GBP hedged index).

■ Z Accumulation GBP (GB00B57BFC79)

■ ICE BofA Sterling 3-Month Government Bill Index plus 2.5%

■ Investment Association Strategic Bond sector average return

■ Bloomberg Multiverse ex Treasuries A+ to B- GBP hedged index

■ 3 month LIBOR +1%

■ ICE BofA Sterling 3-Month Government Bill Index plus 1%

Past performance is not a guide to future performance and may not be repeated. The value of investments may go down as well as up and you may not get back the amount you originally invested.

The chart shows performance in British pound after the ongoing charges and the portfolio transaction costs have been paid.

The fund was launched on 05/09/2003.

The shareclass was launched on 11/05/2011.

Performance figures are only available since the launch of the respective unit class.

## Practical information

**Trustee:** J. P. Morgan Europe Ltd.

**Further information:** You can get further information about this fund, including the prospectus, consumer facing disclosure, latest annual report, any subsequent half-yearly reports and the latest price of units from [www.schroders.com/en-gb/uk/individual/fund-centre](http://www.schroders.com/en-gb/uk/individual/fund-centre) and from Schroders, PO Box 1402, Sunderland, SR43 4AF, England, telephone 0800 182 2399. They are in English, free of charge.

**Tax Legislation:** The fund is subject to UK tax legislation which may have an impact on your personal tax position.

**Liability:** Schroder Unit Trusts Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the fund's prospectus.

**Switches:** Subject to conditions, you may apply to switch your investment into another unit class within this fund or in another Schroder fund. Please see the

prospectus for more details.

**Remuneration Policy:** A summary of Schroders' remuneration policy and related disclosures is at [www.schroders.com/remuneration-disclosures](http://www.schroders.com/remuneration-disclosures). A paper copy is available free of charge upon request.

The policy includes a description of how remuneration and benefits are calculated & the identities of persons responsible for awarding the remuneration and benefits.

**Glossary:** You can find an explanation of some of the terms used in this document at [www.schroders.com/ukinvestor/glossary](http://www.schroders.com/ukinvestor/glossary).

**Benchmark:** The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the fund aims to provide. The comparator benchmarks have been selected because the Investment Manager and the Manager believe that these benchmarks are a suitable comparison for performance purposes given the fund's investment objective and policy.