Schroders

# Schroders Capital Semi-Liquid

## Prospectus

24 June 2025

## Luxembourg

(a Luxembourg domiciled open-ended investment company)

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24 June 2025

Schroder Investment Management (Europe) S.A.
Internet Site: 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, rue Höhenhof
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.

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/schroders-capital-semi-liquid/

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.

The Management Company is authorised as a full-scope alternative investment fund manager by the CSSF.

One or more Fund(s) may further qualify as an ELTIF under the ELTIF Regulation. In accordance with article 31(2) of the ELTIF Regulation and article 32 of the AIFMD, the Management Company has applied for and received a marketing passport under the AIFMD to market the Shares to both Professional Investors and ELTIF Retail Investors in the European Economic Area (the “EAA”) in respect of those Funds that qualify as ELTIFs. Accordingly, when the relevant Fund is marketed in the EAA as an ELTIF, Shares are available for purchase only by (i) Professional Investors, being investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to MiFID, and (ii) ELTIF Retail Investors fulfilling the eligibility requirements of the ELTIF Regulation. A KID in compliance with the relevant provisions of Regulation (EU) 1286/2014, as amended, and Commission Delegated Regulation (EU) 2017/653, will be published for each Share Class available to retail Investors. KIDs are handed over to future retail Investors in good time prior to their subscription in the Company and are (i) provided to the retail Investor using a durable medium other than paper or (ii) available under www.schroders.com and can be obtained in paper form free of charge upon request from the Transfer Agent.

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.

When marketing Shares in any territory of the European Economic Area (EEA) (other than Luxembourg) to Professional Investors that are domiciled or have a registered office in the EEA, the Management Company intends to utilise marketing passports made available under the provisions of the AIFMD.

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 controller 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 www.schroders.com/en/privacy-policy. You hereby acknowledge that you have read and understood the contents of the privacy policy.

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 IV.**

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# Definitions

## 2010 Law

the Luxembourg law on undertakings for collective investment dated 17 December 2010, as amended

## 2013 Law

the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended

## Accumulation Shares or ACC Shares

shares whose price includes income accumulated within a Fund

## Administration Agent

Brown Brothers Harriman (Luxembourg) S.C.A.

## AIFMD

Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers, as amended

## AIFM Regulation

the European Commission Delegated Regulation 231/2013 of 19 December 2012, as amended

## AIFM Rules

the AIFMD, the AIFM Regulation, the 2013 Law as well as any European or Luxembourg regulatory guidelines as may be issued in relation thereof, as amended

## Articles

the Articles of Association of the Company as amended from time to time

## Benchmark

such benchmark (if any) identified in the Performance Fee section of the table entitled "Fund Characteristics" for the relevant Fund set out in Appendix III

## Business Day

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

## Calculation Day

a Business Day on which the Net Asset Value per Share is calculated for a Share Class and/or a Fund, as defined for each Fund in Appendix III. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are open for trading and settlement, and may elect to treat such closures as non-Calculation Days for Funds which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets

## Company

Schroders Capital Semi-Liquid [1]

## CSSF

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

## Dealing Cut-off Time

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

## Dealing Day

a Business Day on which dealing instructions received for a Fund are executed, as defined for each Fund in Appendix III. A Business Day on which dealing instructions for a Fund are executed, shall not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Share Class or of the Net Asset Value of the relevant Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets on which any substantial portion of the Company’s investments of the relevant Fund are quoted are closed for trading and settlement, and whether underlying Investment Funds representing a material part of the assets the relevant Fund invests in are closed for dealing and/or the determination of the Net Asset Value per Share is suspended. The Management Company 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 and/or these closed underlying Investment Funds. A list of expected non-Dealing Days for the Funds is available from the Management Company on request and is also available on the Internet site www.schroders.com.

## Depositary

Brown Brothers Harriman (Luxembourg) S.C.A.

## 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

[1] Formerly Schroder GAIA II until the extraordinary general meeting of the shareholders of the Company approving the change of denomination of the Company which was held on 28 October 2022.

## Distribution Shares

shares which distribute their income

## EEA

European Economic Area

## Eligible Investor

a Professional Investor or a retail investor, subject to any additional requirements which may be imposed by the Directors or Management Company at their discretion by the AIFM Rules or by the relevant regulatory authorities where Shares are distributed

## 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

## ELTIF Eligible Investment Assets

assets in which an ELTIF Fund may invest as defined in Appendix I

## ELTIF

a European long-term investment fund regulated by the ELTIF Regulation

## ELTIF Delegated Regulation

The Commission delegated regulation (EU) 2018/480 of 4 December 2017 supplementing Regulation (EU) 2015/760 of the European Parliament and of the Council with regard to regulatory technical standards on financial derivative instruments solely serving hedging purposes, sufficient length of the life of the European long-term investment funds, assessment criteria for the market for potential buyers and valuation of the assets to be divested, and the types and characteristics of the facilities available to retail investors

## ELTIF Fund

a Fund qualifying as an ELTIF

## ELTIF Regulation

Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds as amended by Regulation (EU) 2023/606 of the European Parliament and of the Council of 15 March 2023

## ELTIF Retail Investor

An investor who is not a Professional Investor

## End of Life

the point at which the term of an ELTIF Fund ends and the Company will seek to exit any remaining investments as described under Appendix I section 10 and specified in Appendix III of this Prospectus

## EU

European Union

## EUR

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

## Financial Year

a period of 12 months ending on 31 December

## Fund

a specific portfolio of assets and liabilities within the Company, being a sub-fund of the Company and having its own Net Asset Value and represented by a separate Share Class or Share Classes

## GBP

Great British Pound

## Intermediary Entity

unless otherwise defined in the Appendix III, any legal structure established by the Company or by the Management Company on behalf of the Company for the purpose of investing in the underlying assets and which satisfies the conditions laid down in articles 89 and 90 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the “AIFMD Level 2 Regulation”)

## High Water Mark

has the meaning given to it in section 3.2(A)(1)

## Hurdle

such hurdle (if any) identified in the Performance Fee section of the table entitled "Fund Characteristics" for the relevant Fund set out in Appendix III

## Investment Adviser

Schroder Investment Management Limited

## 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 Manager

any investment manager appointed by the Management Company, to manage each Fund under its supervision

## Investor

a subscriber for Shares

## KID

a packaged retail investment & insurance product key information document in accordance with Regulation 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products

## Management Company

Schroder Investment Management (Europe) S.A.

## Member State

a member state of the EU. Certain EEA countries, such as Lichtenstein, Norway and Iceland, are due to adopt the necessary legislative implementation measures in national law to adopt the ELTIF Regulation and therefore become Member States within the meaning of the ELTIF Regulation

## MiFID

Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as may be amended from time to time

## Net Asset Value

the assets less the liabilities of the relevant Fund or Share Class as reflected in the most recent calculations which shall be carried out in a manner consistent with the basis for calculating the Net Asset Value in the latest annual or semi-annual financial report of the relevant Fund

## Net Asset Value per Share

the Net Asset Value of the relevant Share Class divided by the number of Shares of the relevant Share Class then in issue

## Non-ELTIF Fund

a Fund disclosed in Appendix III which is not an ELTIF Fund

## OTC

over-the-counter

## Performance Period

has the meaning given to it in section 3.2(A)

## Professional Investor

a professional investor who is an investor who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs and meets the criteria laid down in Annex II of MiFID (e.g. credit institutions; investment firms; other authorised or regulated financial institutions; insurance companies; collective investment schemes and management companies of such schemes; pension funds and management companies of such funds; commodity and commodity derivatives dealers; locals or other institutional investors)

## Qualifying Portfolio Undertakings

a portfolio undertaking in which an ELTIF Fund may invest as defined in Appendix I

## Regulated Market

a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 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 2010 Law and the 2013 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 HM Revenue and Customs' (HMRC) tax regime for offshore funds and therefore has a certain tax status relevant for UK tax paying Shareholders

## Schroders

Schroders plc., the Management Company's and Investment Adviser's ultimate holding company, and its subsidiaries and affiliates worldwide

## 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, as amended from time to time

## 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 specific characteristics such as a specific fee structure

## Shareholder

a holder of Shares

## 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

The provider of registrar and transfer agency services, HSBC Continental Europe, Luxembourg

## UCI

an "undertaking for collective investment" as defined in the 2010 Law

## UCITS

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

assets which are eligible under Article 50(1) of 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

## UK

United Kingdom

## USA or US

the United States of America (including the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction

## USD

United States Dollar

**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.**

# Directors

## Chairman

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

## Other Directors

- **Carla BERGARECHE**
  Global Head of Wealth, Client Group
  Schroder Investment Management (Europe) S.A., Spanish Branch
  C/ Pinar 7, 4th Floor
  28006 Madrid
  Spain

- **Yves FRANCIS**
  Independent Director
  67 rue du Pannebourg
  6700 Arlon
  Belgium

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

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

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

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

- **Tim BOOLE**
  Head of Product Management Private Equity
  Schroders Capital Management (Switzerland) AG
  Talstrasse 11
  Zurich, 8001
  Switzerland

# Administration

## Registered Office

5, rue Höhenhof
L-1736 Senningerberg
Grand Duchy of Luxembourg

## Management Company

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

## Investment Adviser

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

## Investment Managers

Schroders Capital Management (Switzerland) AG
Talstrasse 11
Zurich, 8001
Switzerland

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

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

Schroders Greencoat LLP
One London Wall Place
London EC2Y 5AU
United Kingdom

(Please refer to Appendix III on the relevant Fund)

## Depositary and Administration Agent

Brown Brothers Harriman (Luxembourg) S.C.A.
80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

## Independent Auditors

Ernst & Young S.A.
35E avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

## Principal Legal Adviser

Arendt & Medernach S.A.
41A, Avenue J.F. Kennedy
L-2082 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") and as an alternative investment fund within the meaning of article 1 (39) of the 2013 Law. 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. A list of all Funds and Share Classes may be obtained free of charge from the registered office of the Company.

### 1.2. Investment Objectives and Policies

The exclusive objective of the Company is to place the funds available to it in transferable securities of any kind and other permitted assets, including derivatives and private equity assets, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios. The investment strategy of each Fund is based on an alternative investment strategy which has been designed by each of the Investment Managers.

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

The investments of each Fund shall at any time comply with the restrictions set out in Appendix I and Appendix III. Investors should, prior to any investment being made, take due account of the risks of investment set out in Appendix II and any specific risk set out in Appendix III.

The Directors may at any time resolve to change the characteristics of any existing Fund, including its investment objective and policy without the consent of Investors. Any amendment of this Prospectus will require approval by the CSSF prior to taking effect. In accordance with applicable laws and regulations, Investors in the Fund will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Prospectus will be updated accordingly.

### 1.3. 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. The Board of Directors may decide, in its sole discretion, to offer hedged Share Classes. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Share Class. 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. Distributing share classes in all Funds with a ramp up period will only start distributing after the ramp up period ends.

Investors are informed that not all Distributors offer Shares of all Share Classes.

The particular features of each Share Class are provided below and in Appendix III.

#### Sales Charge

The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion from time to time. The initial charge attributable to each Share Class is specified in the Fund Details in Appendix III.

#### 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 III. 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.

#### Specific features of 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.

#### Specific Features of A1, A2 and A3 Shares

A1, A2 and A3 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 A1, A2 and A3 Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors. A1, A2 and A3 Share fees for each Fund are separately disclosed in the Fund details.

#### Specific Features of AX1 Shares

AX1 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 AX1 Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors. AX1 fees for each Fund are separately disclosed in the Fund details.

#### Specific Features of C Shares

C Shares are available to institutional clients such as pension funds, sovereign wealth funds and official institutions. C 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. C Shares fees for each Fund are separately disclosed in the Fund details.

### Specific Features of CX Shares

CX Shares are available to institutional clients such as pension funds, sovereign wealth funds and official institutions. 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 fees for each Fund are separately disclosed in the Fund details.

### Specific Features of E and EA Shares

E and EA Shares are available to institutional clients such as pension funds, sovereign wealth funds and official institutions, as well as mutual funds and distributors, at the discretion of the Management Company, and can be denominated in any currency.

E and EA share fees for each Fund are separately disclosed in the Fund details.

E and EA Shares will only be available until the total Net Asset Value of all available Share Classes within a Fund reaches or is greater than USD 100,000,000 or an equivalent amount in another currency; or any other amount as specifically determined by the Management Company for any Fund.

Once the total Net Asset Value of the Share Classes available in a Fund, as of any Calculation Day, reaches or is greater than USD 100,000,000 or an equivalent amount in another currency, or as specifically determined for a Fund by the Management Company, the E and EA Share Classes in that Fund will be closed to Investors for subscription. The Management Company may re-open the E and EA Share Classes at its discretion without notice to Shareholders.

### Specific features of I and IB Shares

I and IB 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 and payment structure and, if applicable, commitment amount relevant to the clients' investments in such Shares and any other related arrangements, 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 and IB Shares to any Investor who is not considered an institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for I and IB 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 and IB Shares is not an institutional Investor, the Directors will instruct the Transfer Agent to propose that the said holder convert their Shares into Shares of a 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".

As I and IB Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of Schroders and is charged management fees directly by Schroders, no management fees will be payable in respect of I and IB Shares out of the net assets of the relevant Fund. I and IB 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.

### Specific features of IA and IC Shares

IA and IC Shares will only be available, with prior agreement of the Management Company, to institutional investors such as pension funds, sovereign wealth funds, foundations, charities and official institutions with a prior agreement with the Management Company covering the commitment amount relevant to the clients' investments in such Shares and any payment related arrangements. The Company will not issue, or effect any switching of IA or IC Shares to any Investor who may not be considered an institutional investor, as may be defined from time to time by the guidelines or recommendations issued by the CSSF. The Directors may, at their discretion, delay the acceptance of any subscription for IA or IC 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 IA or IC 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 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".

IA and IC Shares fees for each Fund are separately disclosed in the Fund details.

### Specific Features of ID and IZ Shares

ID and 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.

When an Investor’s assets in ID or IZ 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 distribution charge will be payable by an Investor on the acquisition of ID or IZ Shares of any Fund.

### Specific Features of IE Shares

IE Shares will only be offered to Investors who are institutional investors such a 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 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 K1 Shares

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; and

(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 distribution charge will be payable by an Investor on the acquisition of K1 Shares of any Fund. K1 Shares may charge a management fee up to 1.5% per annum and an initial charge up to 1%.

### Specific features of R1, R2 and R3 Shares

R1, R2 and R3 Shares will only be available at the discretion of the Management Company to legacy investors who held Shares in the Schroders Capital Semi-Liquid Circular Economy Private Plus sub-fund prior to its transition to Global Private Equity ELTIF on 01 July 2025. Investors in R1, R2 and R3 shares are permitted to top-up their existing holding. R1, R2 and R3 Shares will not be available to Investors (new and existing) in any other circumstance than those described above.

### Specific features of R4 Shares

R4 Shares will only be available at the discretion of the Management Company to Institutional Investors, as may be defined from time to time by guidelines or recommendations issued by the CSSF, who are legacy investors who held Shares in the Schroders Capital Semi-Liquid Circular Economy Private Plus sub-fund prior to its transition to Global Private Equity ELTIF on 01 July 2025. Investors in R4 shares are permitted to top-up their existing holding. R4 Shares will not be available to Investors (new and existing) in any other circumstance than those described above.

### Specific Features of S Shares

S Shares will only be available at the discretion of the Management Company, to staff and other connected parties of the Investment Manager, and staff of the Management Company and its affiliates.

### Specific Features of X, X1, X2, X3, X4 and X5 Shares

X, X1, X2, X3, X4 and X5 Shares will only be available in certain limited circumstances to certain Investors who:

(A) have entered into an agreement with the Management Company relevant to such Shares, 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 as described from time to time in guidelines or recommendations issued by the CSSF, 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

When an Investor’s assets in X, X1, X2, X3, X4 and X5 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 distribution charge will be payable by an Investor on the acquisition of X, X1 X2, X3, X4 and X5 Shares of any Fund.

The Company will not issue, or effect any switching of, X, X1 X2, X3, X4 and X5 Shares to any Investor who may not be considered an institutional Investor, as may be defined from time to time by the guidelines or recommendations issued by the CSSF. The Directors may, at their discretion, delay the acceptance of any subscription for X, X1 X2, X3, X4 and X5 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 and X5 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, 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 Distribution Fee will be payable by an Investor on the acquisition of X, X1 X2, X3, X4 and X5 Shares of any Fund. The Investment Management Fee for X, X1 X2, X3, X4 and X5 Shares will be up to the equivalent C Shares' Investment Management Fee of the relevant Fund.

### Specific Features of Y, Y1, Y2, Y3, Y4, Y5 and Y6 Shares

Y, Y1, Y2, Y3, Y4, Y5 and Y6 Shares will only be available, with prior agreement of the Management Company, to certain clients of Schroders. No Initial Charge or Distribution Fee will be payable by an Investor on the acquisition of Y, Y1, Y2, Y3, Y4, Y5 and Y6 Shares of any Fund. Applications for subscriptions into Y, Y1, Y2, Y3, Y4, Y5 and Y6 Shares will be accepted at the Management Company's discretion. The Investment Management Fee for Y, Y1, Y2, Y3, Y4, Y5 and Y6 Shares will be up to the equivalent A Shares' Investment Management Fee of the relevant Fund unless otherwise disclosed in Appendix III.

### Currency and Hedging Policy

These Share Classes, where available, may also be offered in other currencies (each a "Reference Currency") at the Directors' discretion. Where offered in a currency other than the base currency of the Fund (the "Fund Currency"), a Share Class may be currency denominated or currency hedged and will be designated as such.

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, through its FX overlay services provider, 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.

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.

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 per Share 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% to the benefit of the Management Company or its delegate) 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 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 Reference Currency against the currencies in which the underlying assets of the Fund are denominated, using the instruments mentioned at the beginning of Appendix III.

There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Fund Currency.

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.

# 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, the subscription instruction will be executed on the Dealing Day and Shares will normally be issued at the relevant Net Asset Value per Share, as defined under "Calculation of Net Asset Value", determined on the relevant Calculation Day (plus any applicable initial charge). For completed applications received after the Dealing Cut-off Time, the instruction will normally be executed on the next relevant Dealing Day and Shares will be issued at the Net Asset Value per Share calculated on the associated Calculation 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 Management Company, 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 Time applied to Shareholders must always precede the Dealing Cut-off Time referred to in Appendix III.

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 Calculation Day. 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 for more details on the Dealing Cut-off Time 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.

Any non-Dealing Days or non-Calculation 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 money returnable to the Investor held by the Management Company or Transfer Agent pending confirmation of a transaction.

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

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

Payment should normally be made in the currency of the relevant Share Class. However, at the request of the Investor, a currency exchange service for subscriptions is provided by the Transfer Agent acting on behalf of the Company for all Funds except for Global Private Equity.

#### 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 Management 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 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 the currency conversion and other related expenses will be borne by the relevant Investor.

### Price Information

The Net Asset Value per Share of one or more Share Classes is published 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. Internet site www.schroders.com, and is available from the registered office of the Company. Neither the Company nor the Distributors accept responsibility for any error in publication or for non-publication of the Net Asset Value per Share.

Please refer to Appendix III for details on when prices will be made available for each Fund.

### 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 intermediaries for Investors subscribing for Shares through their facilities. In such capacity, the Distributor may effect subscriptions, switches and redemptions of Shares in intermediary name on behalf of individual Investors and request the registration of such dealing arrangements on the register of Shareholders of the Company in intermediary name. The Distributor or intermediary 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 an intermediary service. Unless otherwise provided by local law, any Shareholder holding Shares in an intermediary 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 an intermediary 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 in case of Net Asset Value calculation errors and/or non-compliance and investment rules and/or other errors at the level of the Fund. Investors are advised to take advice as to their rights.

### 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 "Calculation of Net Asset Value" 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 and Terrorist Financing Procedures

Pursuant to international norms, 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 1st February 2010 providing details on certain provisions of the amended law of 12 November 2004 and 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 the Company to prevent money laundering and terrorism financing and to verify the identity of subscribers for Shares.

As a result of such provisions, the Management Company, acting on behalf of the Company, has delegated the performance and on-going due diligence in accordance with Luxembourg laws and regulations. To fulfil this requirement, the Management Company and/or Transfer Agent will 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 a customer 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. 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 customer 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.

The Company adopts a risk-based approach for identifying, assessing, and understanding the financial crime risks to which the assets are exposed. This allows for the implementation of suitable mitigating controls in the line with the perceived risk.

### Genuine Diversity of Ownership Condition

Interests in the Company's 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 Section 1.3 "Share Classes" 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.

## 2.2. Eligibility Restrictions applying to ELTIF Funds

One or more Fund(s) may further qualify as an ELTIF under the ELTIF Regulation. The Investors subscribing for such Fund shall be eligible investors under the ELTIF Regulation and in accordance with Appendix III. For further information regarding the eligibility criteria for Investors subscribing to a Fund qualifying as ELTIF, please refer to Appendix III.

## 2.3. Eligibility Restrictions applying to Non-ELTIF Funds

### Investment restrictions applying to investors in Austria

In Austria, in addition to Professional Investors, the Shares of the Company may be offered to an investor who is a Qualified Private Investor (as set out below), provided that the AIFs concerned are authorized for distribution to professional investors in Austria (notification under Art.32 AIFMD) and the AIFs concerned either do not use any leverage or the leverage used does not exceed the net asset value of the AIF by more than 30%.

A Qualified Private Investor is an investor,

(A) who confirms in a document separate from the contract on the investment commitment that he is aware of the risks associated with the intended investment and provides correct information that he has unencumbered bank balances and financial instruments pursuant to § 1 no. 7 WAG 2018 with a value of more than EUR 250,000;

(B) for whom the AIF management company or, if the distribution is not carried out directly, the natural or legal person carrying out the distribution has assessed its expertise, experience and knowledge

(C) where the AIF management company or, in the case of non-direct marketing, the natural or legal person responsible for marketing is reasonably satisfied that the investor is capable of making his own investment decisions and understanding the risks associated with the investment and that such an obligation is appropriate for the investor;

(D) who undertakes to invest at least EUR 10,000 in an AIF, unless it is an AIF pursuant to Article 48(1)(1) to (4) or Article 49(1)(3)(a) to (c);

(E) who will make the investment for the purpose of diversifying and spreading the risk of his existing asset investment.

### Investment restrictions applying to investors in the Czech Republic

In the Czech Republic, in addition to Professional Investors, the Shares of the Company may be offered to investors who qualify as Qualified Investors which includes, for example, a person who has made a statement that they are aware of the risks associated with investing in shares of the Fund and whose paid-up deposit or paid-up investment in the Fund corresponds to the amount of at least:

(A) EUR 125,000, or

(B) CZK 1,000,000, if the Management Company or administrator of the Fund of qualified investors, or a person authorized by them, confirms in writing that, on the basis of information obtained from the investing person, reasonably believes that this investment corresponds to the financial background, investment objectives and professional knowledge and experience in the field of investments of the investing person.

Furthermore, if the Management Company has passported other EU AIFs it manages to the Czech Republic and/or provides discretionary portfolio management services in the Czech Republic and if the same private qualified investor invests in various EU AIFs of the Management Company and/or is a discretionary portfolio management client of the Management Company, then the above minimum investment amounts apply to the combined investments of this private qualified investor. Nevertheless, the statement of the investor and the confirmation of the manager (if applicable) are required for each AIF.

### Investment restrictions applying to investors in Denmark

In Denmark, in addition to Professional Investors, the Shares of the Company may be offered to investors who qualify as semi-professional investors pursuant to section 5(5) of the Danish Act no. 1047 of 14 October 2019 on managers of alternative investment funds, which include:

(A) A manager, director, or another employee of the Management Company where such person is involved in the management of the Company; or

(B) An investor who (i) makes a minimum initial investment of EUR 100,000 (or its equivalent in the relevant currency) in Shares of the Company; and (ii) declares in writing, in a document separated from the contract for the subscription of the Shares, that it/he/she is aware of the risks of the relevant investment.

### Investment restrictions applying to investors in the EEA

In relation to each member state of the EEA (each a "Relevant State") which has implemented the AIFMD, this Prospectus may only be distributed and Shares may only be offered or placed in a Relevant State to the extent that: (1) the relevant Fund is permitted to be marketed to Professional Investors in the Relevant State in accordance with the AIFMD (as implemented into the local law/regulation / as it forms part of local law of the Relevant State); or (2) this Prospectus may otherwise be lawfully distributed and Shares may otherwise be lawfully offered or placed in that Relevant State (including at the initiative of the investor). In relation to each Relevant State which, at the date of this Prospectus, has not implemented the AIFMD, this Prospectus may only be distributed and Shares may only be offered or placed to the extent that this Prospectus may be lawfully distributed and Shares may lawfully be offered or placed in that Relevant State (including at the initiative of the investor).

### Investment Restrictions applying to Investors in Germany

In Germany, the prospectus of the Company is only made available to investors who are able to demonstrate that they are:

(A) professional investors within the meaning of sec. 1 para. 19 no. 32 of the Capital Investment Act (Kapitalanlagegesetzbuch, KAGB) which means professional clients pursuant to Annex II of the Directive 2014/65/EU (MIFID II) or investors that may be treated as such upon application; or

(B) semi-professional investors within the meaning of sec. 1 para. 19 no. 33 KAGB which include (i) investors who commit to invest at least Euro 200,000, who confirms in a separate document in writing that he/she is aware of the risks in connection with the envisaged commitment or investment, whose expertise, experience and knowledge have been assessed by the Management Company or its delegate without starting from the assumption that the investor possesses the market knowledge and experience of a professional client under MiFID, with respect to whom the Management Company or its delegate is sufficiently convinced that the investor is able to make the investment decision on its own and understands the risks attached to it and that the commitment is adequate for the investor and with respect to whom the Management Company or its delegate confirms in writing that it conducted the above assessment and that the above conditions have been met, (ii) investors who commit to invest at least Euro 10 million, as well as (iii) directors, officers and employees of the Management Company.

### Investment Restrictions applying to Investors in Italy

In Italy, in addition to Professional Investors, the Shares of the Company may be offered to non-professional Investors who may subscribe units/shares of reserved alternative investment funds pursuant to the regulation referred to in Article 39 of the Legislative Decree No. 58 of 24 February 1998 (the "Italian Consolidated Law on Finance") in compliance with the following modalities of participation:

(A) the minimum amount of subscription (which cannot be split up) is not lower than EUR 500,000;

(B) the subscription or purchase of units/shares for an initial amount of not less than EUR 100,000 is carried out within the provision of investment advisory services, provided that, as a result of the subscription or purchase, the total amount of investments does not exceed 10% of their financial portfolio. The minimum initial shareholding cannot be split up;

(C) Persons authorised to provide portfolio management services, who in the performance of such service, subscribe or purchase units/shares for an initial amount of not less than EUR 100,000 on behalf of retail investors.

### Investment restrictions applying to investors in the Netherlands

In the Netherlands, in addition to Professional Investors, the Shares of the Company may be offered to investors who are non-professional investors (within the meaning of article 1:1 of the Dutch Financial Supervision Act), provided that such non-professional investors acquire Shares for amount equivalent to at least EUR 100,000 (or its equivalent in the relevant currency) per investor.

### 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.

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

### Investment Restrictions applying to Investors in Hong Kong

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.

## 2.4. Redemption and Switching of Shares

### Redemption Procedure for Non-ELTIF Funds

Redemption instructions accepted by the Transfer Agent for any Dealing Day before the Dealing Cut-off Time as specified in Appendix III, or such other time at the Directors' discretion, will normally be executed on the Dealing Day at the relevant Net Asset Value per Share, as defined under "Calculation of Net Asset Value", calculated on the associated Calculation Day. Instructions accepted by the Transfer Agent after the Dealing Cut-off Time will normally be executed on the next relevant Dealing Day at the Net Asset Value per Share calculated on the associated Calculation Day.

Redemption instructions can only be executed when any previously related transaction has been completed. 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. The power of attorney's form acceptable to the Transfer Agent is available on request.

### Redemption Procedure for ELTIF Funds

In accordance with Article 18(2) of the ELTIF Regulation, Shareholders may request the redemptions of their shares before the end of the Fund's life subject to the conditions specified in Appendix III.

From the day following the date of the End of Life of the Fund onwards, it is contemplated for the Board of Directors to initiate a compulsory redemption process in respect of all Shareholders in order to redeem all in the same manner and at the respective Net Asset Value per Share for all the respective Shareholders of that Share Class. Shareholders will not be able to request the redemption of their Shares or an additional 10 months following the date of the End of Life (the "Notice Period"). Shareholders may request the liquidation of the Fund if they have not received their redemption monies within 1 year from the end date of the Notice Period.

### Redemption Proceeds

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

Redemption proceeds are normally paid by the Company by bank transfer or electronic transfer, and will be instructed to be made at no cost to the Shareholder, provided the Company is in receipt of all documents required. The settlement period of the redemption proceeds for each Fund is specified in Appendix III. Redemption proceeds will normally be paid in the currency of the relevant Share Class. However, at the request of the Shareholder, a currency exchange service for redemptions is provided to the Shareholder by the Management Company acting on behalf of the Company, except for the Fund Global Private Equity, for which all proceeds will be paid in the currency of the relevant Share Class. 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. Any non-Dealing Days or non-Calculation 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 settlement currency of the relevant Share Class, 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.

### Switching Procedure

A switch transaction is one where an existing Shareholder decides to convert its shares in a particular Share Class (the "Original Class") into another Share Class (the "New Class") within the same Fund of the Company.

Acceptance by the Management Company 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 and regarding ELTIF Funds, investor eligibility criteria in accordance with article 30 of the ELTIF Regulation). A switch transaction 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 and Calculation Days, switching instructions accepted by the Management Company before the Dealing Cut-off Time as specified in Appendix III, 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 Value per Share of both Share Classes calculated for that Dealing Day (less any applicable switching charge).

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 and/or Dealing Cut-off Times, or if the Net Asset Value per Share is available on different days or times 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 cases where dealing is suspended in a Share-Class from or to which a switch has been requested, the processing of the switch will be held over until the next Dealing Day when dealing is no longer suspended. The switching procedures described above will continue to apply.

Instructions to switch Shares may be given to the Management Company by completing the switch form or by letter, facsimile transmission or other means approved by the Management Company where the account reference and the number of Shares to be switched between named Share Classes 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 Management Company 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.

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.

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.**

The value of Shares held by any Shareholder in any one Share Class after any switch or redemption should generally exceed the minimum investment as specified in Appendix III.

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.

Confirmation of transactions will normally be dispatched by the Transfer Agent on the Business Day following the Calculation Day relevant to those redemption or switching transactions. 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.

## 2.5. Restrictions on Subscriptions and Switches into certain Funds or Classes

A Fund or Share Class may be closed to new subscriptions or switches in if, in the opinion of the Management Company, the closure is necessary to protect the interests of existing Shareholders. Without limiting the circumstances where the closure may be appropriate, such circumstances may 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. Any Fund or Share Class may be closed to new subscriptions or switches in without notice to Shareholders if Appendix III discloses that a Fund or Share Class may be capacity constrained. 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 website 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 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 website: 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 should contact the Management Company or check the website https://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.

## 2.6. 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 the Calculation Day in the currency of the relevant Share Class. It will be calculated by dividing the Net Asset Value attributable to each Share Class by the number of Shares of such Share Class then in issue. The resulting sum shall be rounded to up to 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, 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.

In valuing total net assets, the following rules will apply:

(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 (in the view of the Company) 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 prices at the close of market on the Business Day, on the stock exchange or any other Regulated Market 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) With the exception of private equity investments, in relation to which the rules under (7), (8), (9) and (10) below apply and, without prejudice to the rules under (13) below, loans and other debt instruments which are not traded out of a Regulated Market, in relation to which the rules under (11) and (12) below apply, 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 organised 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-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 open-ended UCIs shall be valued on the basis of their last available Net Asset Value as reported by such UCIs.

(6) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.

(7) Investments in private equity funds will be valued by reference to the most recent Net Asset Value as reported by the relevant manager or by external independent price providers approved by the Company as adjusted for subsequent net capital activity.

(8) Investments in third-party managed or sponsor-led private equity direct or co-investments will be valued by reference to the most recent valuation information provided by the relevant manager or lead sponsoring private equity investor or external independent price providers approved by the Company.

(9) A fair value adjustment may be made to the valuations received from the managers of the funds into which a Fund invests or from external independent price providers approved by the Company in the event of changes affecting underlying holdings. In a similar way, a fair value adjustment may be made to sponsor-led private equity direct or co-investments into which a Fund invests in the event of changes affecting the investment, based on information reasonably available at the time the valuation is made and that the Company believes to be reliable. Such changes may include, but are not limited to, FX movements, distributions, material changes in the circumstances of underlying companies or significant movements in public markets.

(10) For other direct investments in private equity , the Company will establish its own estimate of fair value determined in good faith and in accordance with generally accepted valuation principles and procedures, and in particular the International Private Equity and Venture Capital Valuation guidelines (IPEV). The valuation methodology will be based on either (i) a market approach (based on the value of comparable entities, applying a multiple) (ii) an income approach based on the cash generated by the relevant entity (iii) a "milestone", event driven approach, applicable to companies that will not generate income or cash flows for the foreseeable future or (iv) a combination of the aforementioned.

(11) Loans and other debt instruments which are not traded out of a Regulated Market are valued at their fair value, as determined in good faith by the Company or by external independent price providers approved by the Company.

(12) Without prejudice to the rules under (3) above, loans and other debt instruments for which reliable market quotes are readily available are valued on the basis of such quotes. If such quotes are not available, the valuation will be determined (i) in good faith by the Company in consideration of certain factors, such as, but not limited to, market indicators, transactions deemed comparable by the Company, credit worthiness of the counterparty, current interest rates or (ii) in accordance with pricing models developed, maintained and operated by external independent price providers approved by the Company. Procedures of the relevant external independent price provider and its valuations will be reviewed by the Company.

(13) 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 and in accordance with generally accepted valuation principles and procedures.

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

(15) The swaps are valued at their fair value based on the underlying assets as well as on the characteristics of the underlying commitments.

(16) The valuation of real estate assets and real estate rights registered in the name of the Company is made in accordance with the main principles (i.e. valuation at fair value made by independent appraisers with appropriate professional qualifications) as per standard local market property valuation practices. This valuation shall be performed at least annually and used throughout the period between two valuations, unless there is a change in the general economic situation or in the condition of the real estate assets or real estate rights held by the Company or by one of the companies in which the Company holds an interest, which requires a value adjustment to be made, or in the situations otherwise set out by article 71 of the Commission delegated regulation (EU) No 231/2013 of 19 December 2012, regarding the review of individual values of assets. Any valuation adjustment will be made by the Management Company (as defined hereafter) in accordance with its internal procedure.

(17) Investments in real estate private equity investments, real estate private debt and other related securities will be valued, in accordance with the Management Company's internal procedures. The valuation may be adjusted for subsequent net capital activity, material default events and material market events impacting fair value. Any valuation adjustment will be made by the Management Company in accordance with its internal procedure.

(18) The value of other assets will be determined prudently and in good faith under the direction of the board of directors in accordance with the relevant valuation principles and procedures.

(C) 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 by an amount (not exceeding 2% of that Net Asset Value) 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.

### Errors in the calculation of the Net Asset Value or non-compliance with investment rules

In case of an error in the calculation of the Net Asset Value and/or in case of a non-compliance with the applicable Fund's investment rules, the CSSF Circular 24/856 on protection of investors in case of an NAV calculation error, an instance of non-compliance with the investment rules and other errors at UCI level shall apply. The Company and the Management Company will in such case follow the procedures listed in this circular to correct any respective errors and non-compliance.

### 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. 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 purchasing or disposing of 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 adjustment or disposal of investments.

### Dilution Adjustment

**The Company does not currently apply dilution to any of its Funds, except Schroders Capital Semi-Liquid European Loans.**

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 existing 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 website: www.schroders.com.

### General

**The Directors are authorised to apply other appropriate valuation principles for 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.**

## 2.7. Suspensions or Deferrals

Unless otherwise provided in the Fund's details in Appendix III, if the aggregate value of the redemption and switch instructions for any one Dealing Day corresponds to more than 5% of the net assets of a Fund, the Directors may defer part or all of such redemption and switch instructions, as they consider to be in the best interest of the Fund and its Shareholders, to the next Dealing Day and such deferred requests 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 on an equivalent basis to later requests.

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.

The Company may suspend or defer the calculation of the Net Asset Value per Share of any Share Class in any Fund and/or 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 the same Share Class of the same Fund or any other Fund:

(A) 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 Share Class for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

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

(C) 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

(D) 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

(E) during any breakdown 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

(F) 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

(G) if the Company or a Fund or a Share Class is being or may be wound-up or merged on or following (i) the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Company or the relevant Fund or Share Class is proposed or (ii) the date on which the Directors decide to wind up or merge a Fund or a Share Class; or

(H) 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 Share Class in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or

(I) during any other circumstance or circumstances where the Directors believe it is in the best interest of Shareholders or 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 other detriment.

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.

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 Management Company before the end of such period.

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

## 2.8. Special Dealing Procedure

The Directors may from time to time decide to implement a special dealing procedure, for example, in extraordinary circumstances, to deal with circumstances which in the reasonable opinion of the Directors warrant its application in the best interest of Shareholders (“Special Dealing”). Special Dealing shall be temporary only and is expected to stop applying when the circumstances which warranted its application change or where its application is no longer required or where it ceases to be in the best interest of Shareholders in the reasonable opinion of the Directors. The Special Dealing may be applied to those Funds as set out in Appendix III.

Should the Directors decide to apply Special Dealing, redemption requests may be processed once every calendar year. Requests received prior to 17:00 Luxembourg time on a special redemption day (“Special Redemption Day”), as determined by the Directors and announced to Shareholders prior to such day, will, if accepted, be transacted on the Secondary Value Dealing Price (as defined below).

The first Special Redemption Day, shall be no later than 12 months after notice of such decision was given to Shareholders. For the avoidance of doubt, the ordinary dealing procedure shall not be available following the Directors’ decision to apply Special Dealing.

Redemption proceeds shall be paid to redeeming Shareholders by no later than 180 days following a Special Redemption Day (the "Special Redemption Payment Day"), provided the Fund has sufficient liquid assets available from proceeds as contemplated below. Should proceeds not be readily available, the Directors shall keep Shareholders informed and pay redemption monies as soon as practicable when sufficient funds have been generated but not later than 12 months after the Special Redemption Day.

The Company will make available to Shareholders an estimate (or estimated range, as applicable) of the Secondary Value Dealing Price (as defined below) 30 days prior to the relevant Special Redemption Day or as soon as practicable thereafter. Shareholders must be aware that such estimate may differ from the Secondary Value Dealing Price (as defined below) which will be determined taking into account the sale proceeds of selected assets and any related cost and expenses as more fully described below.

Any outstanding redemption orders received prior to the application of Special Dealing in will be transferred to Special Dealing and be dealt with accordingly unless redeeming Shareholders withdraw their redemption request prior to relevant Special Redemption Day.

In respect of each Special Redemption Day, net redemptions (net of any Special Acquisitions (as defined below) will not be limited and all Shareholders, whose redemption requests have been accepted, shall be transacted on the Secondary Value Dealing Price as set out below.

### Secondary Value Dealing Price

The Secondary Value Dealing Price is based on the Net Asset Value, as at the Special Redemption Day, adjusted by a spread (the "Spread"), if any, reflecting the expected or actual discount obtained through secondary sales under the then prevailing market conditions relative to net asset values (the "Secondary Value Dealing Price").

The Spread (if any) shall be determined, in good faith, by the Directors, and, where the Directors deem it necessary, by third party service providers. Any potential hedging gains or losses as well as associated costs and expenses relating to the Disposal Portfolio (as defined below) shall be borne by the redeeming Shareholders.

For the purpose of determining any Spread and the Secondary Value Dealing Price, a Fund may, if necessary to meet redemptions requests, realise selected assets, including money market instruments (if applicable), which the Directors believe fairly and reasonably represent such Funds' portfolios, in consideration of the level of redemption requests, relative to the Fund's total size (pre redemption), for such Special Redemption Day (the "Disposal Portfolio").

The Directors shall, on the basis of criteria including but not limited to, geographical area, vintage year and funding level, determine which assets may be sold to meet redemption requests, and thus serve to determine the Spread.

The Secondary Value Dealing Price shall, be determined typically within 120 days of the relevant Special Redemption Day (or as soon as practicable thereafter) (the "Secondary Value Dealing Price Date").

Subscribing and redeeming Shareholders shall be notified about the Secondary Value Dealing Price within 10 days of the Secondary Value Dealing Price Date.

#### Special Acquisition at Secondary Value Dealing Price

Investors may apply to acquire Shares at the Secondary Value Dealing Price (an "Special Acquisition") by submitting an application prior to 17:00 Luxembourg time on the Special Redemption Day. Special Acquisitions are limited to the amount of redemptions as accepted for the Special Redemption Day.

The minimum initial investment and minimum subsequent investment amounts set out in the relevant fund details section in Appendix III will continue to apply.

Applications for a Special Acquisition must be given for a number of Shares. Special Acquisition applications expressed in nominal amounts will not be processed.

Shareholders of the relevant Fund shall be offered a pre-emptive right to acquire shares at the Secondary Value Dealing Price and their applications to subscribe shall have priority over other Special Acquisition applications (the "Pre-emptive Right").

The payment of the price is due no later than on the Special Redemption Payment Day. The Company will not pay any interest on any early payments. Incomplete applications and applications which are not settled by the due date may be cancelled by the Company and any costs of cancellation passed on to the applicant.

Where an existing Shareholder of the Fund exercises the Pre-emptive Right, such Special Acquisition request shall enjoy priority over Special Acquisition requests from non-shareholders but shall however still be subject to (i) the total number of Shares for which redemption requests have been accepted and, if necessary, (ii) pro-rata reduction among Shareholders exercising their Pre-emptive Right. Thereafter any acquisition applications from non-shareholders will be reduced pro-rata so that the total number of accepted applications does not result in net Special Acquisitions. The excess amount of the applications for Special Acquisition will be cancelled.

No subscriptions other than Special Acquisitions shall be permitted as long as the Special Dealing Procedure is applied.

#### Lock-Up for acquisitions at Secondary Value Dealing Price

Shares acquired at the Secondary Value Dealing Price are non-redeemable during a period of 12 months following the applicable Special Redemption Day (the "Lock-Up").

#### Net Asset Value During Special Dealing Procedure

The Fund's Net Asset Value shall continue to be calculated in accordance with the relevant Calculation Day, as disclosed in the fund details section in Appendix III, while Special Dealing applies, provided however that profits, losses and expenses allocated to the Disposal Portfolio shall, be excluded from the Fund's Net Asset Value, potential valuations will be adjusted if needed. No subscriptions or redemptions will be transacted at the Fund's Net Asset Value during the Special Dealing.

#### Return to ordinary Dealing Procedure

The Fund will return to the ordinary Dealing Procedure when Directors consider that the circumstances having warranted the application of the Special Dealing no longer apply. Shareholders shall be notified about such change as soon as reasonably practicable.

Usually, Special Dealing will be replaced by a Fund’s ordinary dealing frequency as soon as practicable when market, economic, and fund specific circumstances have normalised and the Net Asset Value and Secondary Value Dealing Price have converged.

### 2.9. 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.

- 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. As a result, where the Directors believe that a significant event has occurred between the close of the markets in which a Fund invests and the point of valuation, and that such event will materially affect the value of that Fund’s portfolio, they may cause the Management Company to adjust the Net Asset Value per Share so as to reflect what is believed to be the fair value of the portfolio as at the point of valuation ("fair value pricing").

The level of adjustment will be based upon the movement in a chosen surrogate up until the point of valuation, provided that such movement exceeds the threshold as determined by the Directors for the relevant Fund. The surrogate will usually be in the form of a futures index, but might also be a basket of securities, which the Directors believe is strongly correlated to, and representative of, the performance of the Fund.

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 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. (i) as the Company's alternative investment fund manager within the meaning of article 1 (46) of the 2013 Law to perform portfolio and risk management functions and (ii) to perform administration and marketing functions. The Management Company is also responsible for the valuation function of the Company.

The Management Company is 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 Brown Brothers Harriman (Luxembourg) S.C.A. (including valuation), HSBC Continental Europe, Luxembourg and HSBC plc and may delegate certain marketing functions to entities which form part of the Schroders group. The Management Company has also delegated certain investment management functions to the Investment Managers within the limits permitted by the 2013 Law and subject to proper supervision as more fully described above and below. However, the Management Company remains responsible for the risk management function for all Funds.

The Management Company is responsible for the decision to appoint and remove any Investment Manager to the Funds. The Management Company is advised by the Investment Adviser on the selection of the third party Investment Managers. The Management Company has appointed the Investment Adviser to give advice on the investment capabilities and credit worthiness of the third party Investment Managers. In addition, the Management Company will examine the operational capabilities of the third party Investment Managers. 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 are accrued at each Calculation Day and included in the Net Asset Values of the Funds on the following Calculation Day at an annual rate of up to 0.25% by reference to the Net Asset Value of the relevant Fund and are paid monthly. As the fee is a fixed percentage of the Net Asset Value of a 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 EUR14,628,830.98. Schroder Investment Management (Europe) S.A. is authorised as a management company under chapter 15 of the 2010 Law and as an alternative investment fund manager under the 2013 Law and as such, provides collective portfolio management services to UCIs.

#### 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 asset or security level are performed to ensure 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 in Appendix II of this Prospectus.

The Board of Directors, or the Management Company, as appropriate, may also make use, among others, of the following to manage liquidity risk:

(A) As further described in section "Suspension or Deferrals" of this Prospectus, the Directors may declare that the redemption of part or all Shares in excess of 5% for which a redemption or switch has been requested will be deferred until the next Dealing Day and will be valued at the Net Asset Value per Share prevailing on that Dealing Day;

(B) The Company may suspend 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 in any Fund into Shares of a different Share Class of the same Fund or into any Share Class of any other Fund as further described in section "Suspension or Deferrals" of this Prospectus.

### Investment Adviser

The Management Company has appointed Schroder Investment Management Limited as the Company's Investment Adviser. The Investment Adviser advises the Management Company on the selection and appointment of third party Investment Managers. The Investment Adviser sources the third party Investment Managers and advises the Management Company on their investment capabilities and credit worthiness to enable the Management Company to assess an Investment Manager's suitability to manage a Fund. The Investment Adviser is affiliated to Schroders and is authorised and regulated by the Financial Conduct Authority. The Management Company will cause a fee to be paid by the relevant Fund to the Investment Adviser for its advisory services.

### Investment Managers

Each of the Funds is managed by an independent investment manager with a particular expertise in managing funds with alternative strategies. The Management Company has appointed each Investment Manager based on the Investment Manager's experience and expertise in managing funds with alternative strategies but the Management Company may terminate each appointment immediately where it is in the best interest of Shareholders to do so.

The Investment Managers may on a discretionary basis enter into financial derivative contracts, acquire and dispose of interests in entities, as well as acquire and dispose of securities and funds of the Funds for which they have been appointed as Investment Manager by the Management Company, 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 Management Company will cause management fees to be paid by the relevant Funds to the Investment Managers, as remuneration for their services, by reference to the Net Asset Values of the Funds, as specified in Appendix III. In addition, in certain circumstances at the Management Company's discretion, the Investment Managers may be entitled to the reimbursement of a part of their research and consultancy fees as further described in Appendix III and to reasonable expenses properly incurred in carrying out their duties. Such fees are accrued at each Calculation Day and included in the Net Asset Values of the Funds on the following Calculation Day and paid monthly. The Investment Managers are also entitled to receive a performance fee as further described under the heading "Performance Fees".

In the performance of their duties, Investment Managers may seek, at their own expense, advice from investment advisers.

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.

### Sub-Investment Managers for Internally Managed Funds

Subject to the prior approval of the Management Company, the relevant Schroder group 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 the Funds or to provide recommendations or advice on any part of the investment portfolio (each a "Sub-Investment Manager").

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 and the Management Company.

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 https://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.

### Sub-Investment Managers for Externally Managed Funds

Subject to any necessary regulatory consent and to the terms of the investment management agreement, Investment Managers which are not part of the Schroder group, may appoint one or several of their affiliates, at their 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. Details of any such appointment will be disclosed in the relevant section of Appendix III.

### 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, distribution charge, shareholder servicing fee, and management fee.

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.

### 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

Brown Brothers Harriman (Luxembourg) S.C.A. ("BBH") has been appointed by the Company as Depositary of the Company within the meaning of the 2013 Law (as further explained below). BBH is a Société en Commandite par Actions organised under the laws of the Grand Duchy of Luxembourg. It is a credit institution incorporated in Luxembourg on 9 February 1989 and its registered office is at 80, route d'Esch, L-1470 Luxembourg. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended. BBH is a wholly owned subsidiary of Brown Brothers Harriman & Co. ("BBH & Co."). Founded in 1818, BBH & Co. is a commercial bank organised as a partnership under the private banking laws of the states of New York, Massachusetts and Pennsylvania.

The Depositary shall assume its functions and responsibilities in accordance with the 2013 Law and the ELTIF Regulation, where applicable. The principal duties of the Depositary are as follows:

(A) Safe-keeping of the assets of the Company that can be held in custody (including book entry securities) and record-keeping of assets that cannot be held in custody in which case the Depositary must verify their ownership;

(B) Ensure that the Company's cash flows are properly monitored, and in particular ensure that all payments made by or on behalf of Shareholders upon the subscription of Shares in the Company have been received and that all cash of the Company has been booked in cash accounts that the Depositary can monitor and reconcile;

(C) Ensure that the issue, redemption and cancellation of Shares of the Company are carried out in accordance with applicable laws and the Articles;

(D) Ensure that the value of the Shares of the Company is calculated in accordance with applicable laws, the Articles and the valuation procedures;

(E) Carry out the instructions of the Management Company, unless they conflict with applicable laws or the Articles;

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

(G) Ensure that the Company's income is applied in accordance with applicable laws and the Articles.

In relation to the Depositary's safekeeping duties as referred to in paragraph (A) above, in respect of financial instruments that can be held in custody (as defined in article 1 (51) of the 2013 Law), the Depositary is liable to the Shareholders for any loss of such financial instruments held in custody by the Depositary or any delegate of the Depositary to whom safekeeping of those financial instruments has been delegated (a "Correspondent"), save to the extent that any such liability has been contractually discharged to a Correspondent pursuant to article 19(11) and article 19(13) of the 2013 Law. The term "loss of financial instruments held in custody" shall be interpreted in accordance with the AIFM Regulation and especially article 100 of the AIFM Regulation.

The Depositary may only delegate its safekeeping functions but not its oversight functions. Additionally, when delegating such functions, the Depositary shall comply with the due diligence and supervisory requirements of the 2013 Law relating to the selection and on-going monitoring of Correspondents. The Depositary shall also ensure that identified conflicts of interest are managed and monitored. For a Fund that qualifies as an ELTIF and which is marketed to ELTIF Retail Investors, the Depositary shall not be able to discharge itself of liability in the event of a loss of financial instruments held in custody by a third party.

In the event that the law of a particular jurisdiction requires that certain financial instruments be held in custody by a local entity and no local Correspondent has been identified by the Depositary as being capable of fulfilling the delegation requirements of the 2013 Law, the Management Company shall, prior to the Shareholders investing in those financial instruments, (i) ensure that the Shareholders are duly informed that the delegation is required due to legal constraint in that jurisdiction and (ii) set out for them the circumstances that, in the reasonable opinion of the Management Company, justify such delegation. In the event that the delegation requirements of the 2013 Law are not capable of being fulfilled by a Correspondent after the Shareholder has invested in the Company, the Management Company shall also ensure that the Shareholders are informed of the legal constraints in the relevant law and of the circumstances that, in the reasonable opinion of the Management Company, justify such delegation.

To the extent that a Correspondent is permitted to sub-delegate its functions, it may do so only to the extent that its liability under the 2013 Law is not affected by such sub-delegation.

The list of Correspondents relevant to the Company is available on http://www.bbh.com/luxglobalcustodynetworklist. The Depositary will receive from the Company such fees and commissions as are in accordance with usual practice in the Grand Duchy of Luxembourg. The custody safekeeping services and transaction fees are accrued at each Calculation Day and included in the Net Asset Values of the Funds on the following Calculation Day and paid monthly. The fee paid for this custody service is of 0.025% per annum of the Net Asset Value of the Fund. BBH's fees are subject to an annual minimum amount agreed between BBH and the Company.

Custody fees may be subject to review by the Depositary and by the Company from time to time. In addition, the Depositary is entitled to any reasonable expenses properly incurred by it or its delegates in carrying out their duties.

### Administration Agent

The Management Company has delegated certain administration functions, such as accounting, Net Asset Value calculation and preparation of financial reports, to BBH as the Administration Agent. Fees relating to fund accounting and valuation in the scope of BBH's capacity as Administration Agent are accrued at each Calculation Day and included in the Net Asset Values of the Funds on the following Calculation Day and paid monthly up to a maximum of 0.07% per annum of the Net Asset Value of the Fund. BBH's fees are subject to an annual minimum amount agreed between BBH and the Management Company.

Administration fees, may be subject to review by the Administration Agent and by the Management Company from time to time. In addition, the Administration Agent is entitled to any reasonable expenses properly incurred in carrying out its duties.

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

### Transfer Agent, Registrar and Principal Paying Agent

The Management Company has delegated the transfer agency, registrar, investor communications 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.

### Prime Broker

The Company may, with the approval of the Depositary and in accordance with article 20 of the AIFM Regulation, appoint one or several prime brokers to provide custody, brokerage and dealing services to the Company or a specific Fund as determined under the terms of each prime brokerage agreement.

The total value of the assets of a Fund over which a right of use (or rehypothecation right) can be granted in favour of the prime broker is limited to 120% of the debt of the Fund towards the prime broker.

The acts of each prime broker, in relation to the sub-custody services, are subject to the overall supervision of the Depositary in accordance with the 2013 Law.

In relation to custody services, the prime broker may be authorised to sub-delegate its functions in accordance with the AIFM Rules.

### 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, tax advice, brokerage, any investment research costs and expenses and credit facility costs as may be further described in Appendix III, governmental duties and charges, stock exchange listing expenses 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, if any, or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

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.

The Company shall bear its incorporation expenses, including the costs of drawing up and printing the Prospectus, notary public fees, the filing and initial notification costs associated with seeking approval from supervisory, administrative and stock exchange authorities, the costs of printing Share certificates, if any, and any other costs pertaining to the setting up and launching of the Company.

These incorporation expenses, estimated at an amount equivalent to EUR 200,000, will be borne by the Company. These expenses may, at the discretion of the Management Company, be amortised on a straight line basis over 5 years from the date on which the Company commenced business over the assets of the Fund(s) (including any Funds launched on a future date not exceeding the amortisation period). The Management Company may, in its absolute discretion, shorten the period over which such costs and expenses are amortised.

## 3.2. Performance Fees

In consideration of the services provided by the respective Investment Managers in relation to the Funds, the Investment Manager may be entitled to receive a performance fee, in addition to a management fee. Two methodologies may be used to calculate a performance fee, as described below, and details of which methodology is being used for each Fund are contained in Appendix III. A performance fee is calculated prior to any Dilution Adjustments (as defined in the section entitled "Dilution Adjustments" towards the end of section 2.4).

### (A) Performance Fees – Using a Hurdle or Benchmark with a High Water Mark

The criteria that need to be fulfilled for a performance fee to become due are that the Net Asset Value per Share at the end of a Performance Period (before deduction of any performance fee paid or payable in respect of such Performance Period) is greater than:

(1) the Net Asset Value per Share at the end of the previous Performance Period in respect of which a performance fee was paid or payable (i.e. after deduction of any performance fee paid or payable in respect of such prior Performance Period) (such Net Asset Value per Share being the "High Water Mark"); and

(2) the Hurdle or the Benchmark (as the Company and the relevant Investment Manager have agreed in writing (and disclosed to the relevant Shareholders) is to be applicable to that Investment Manager and Fund).

A Performance Period shall be each calendar quarter except:

– that where the Net Asset Value per Share (before deduction of any performance fee paid or payable in respect of such Performance Period) as at the end of that calendar quarter is lower than the High Water Mark, the commencement of the Performance Period will remain the date of that High Water Mark;

- that if a performance fee is introduced in relation to a Fund during a calendar quarter, then its first Performance Period will commence on the date on which such fee is introduced and the High Water Mark shall be the Net Asset Value per Share on the date of such introduction; and
- where a Performance Period ends during a calendar quarter.

The performance fee (as accrued below, if applicable) is payable following the end of each Performance Period (on a pro rata temporis basis, where applicable) and is adjusted for subscriptions and redemptions during the Performance Period so these do not affect the calculation of the performance fee. In addition if a Shareholder redeems or switches all or part of their Shares before the end of a Performance Period, any accrued performance fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager. The High Water Mark is not reset on those Dealing Days on which performance fees crystallise following the redemption or switching of Shares.

As the Net Asset Value per Share may differ between Share Classes, separate performance fee calculations will be carried out on each Share Class within the same Fund, which therefore may become subject to different amounts of performance fee.

On every Business Day, if the criteria for a performance fee being due as set out above have been met (treating for these purposes each such Business Day as if it were the final Business Day of the Performance Period), a Share Class' performance fee is accrued on that Business Day and reflected in the Net Asset Value of each such Share Class on the following Calculation Day, by applying the relevant multiplier identified in the Performance Fee section of the Fund Characteristics table for the relevant Fund set out in Appendix III to the excess of

- the relevant Net Asset Value per Share determined on the same Calculation Day (before deduction of any performance fee paid or payable in respect of that Performance Period); less
- the higher of the High Water Mark and either the Hurdle or the Benchmark (as applicable) on that Calculation Day

multiplied by the number of Shares in issue on the relevant Business Day.

Subject to fulfilling the criteria for a performance fee, a Fund may utilise a catch-up mechanism where the Investment Manager receives the benefit of excess performance until it reaches a specified percentage of total profits (the "Catch-Up"). Once the Catch-Up is satisfied, any remaining profits are distributed between the Investment Manager and Shareholders according to an agreed percentage. Details of any applicable Catch-Up are contained in Appendix III.

On each Calculation Day, any accounting provision made on the previous Calculation Day is adjusted to reflect the Share Class' performance, positive or negative, calculated as described above. If the Net Asset Value per Share on the Calculation Day is lower than the Hurdle or the Benchmark (as applicable) or the High Water Mark, the provision made on the previous Calculation Day is returned to the relevant Share Class within the relevant Fund. The accounting provision may, however, never be negative. Under no circumstances will the respective Investment Manager pay money into a Fund or to any Shareholder for any underperformance.

### (B) Performance Fees – On absolute returns with a High Water Mark

The criteria that need to be fulfilled for a performance fee to become due are that the Net Asset Value per Share at the end of a Performance Period (before deduction of any performance fee paid or payable in respect of such Performance Period) is greater than the High Water Mark.

The performance fee (as accrued below, if applicable) is payable following the end of each Performance Period. In addition if a Shareholder redeems or switches all or part of their Shares before the end of a Performance Period, any accrued performance fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager. The High Water Mark is not reset on those Dealing Days on which performance fees crystallise following the redemption or switch of Shares.

As the Net Asset Value per Share may differ between Share Classes, separate performance fee calculations will be carried out on each Share Class within the same Fund, which therefore may become subject to different amounts of performance fee.

On every Business Day, if the criteria for a performance fee being due as set out above have been met (treating for these purposes each such Business Day as if it were the final Business Day of the Performance Period), a Share Class' performance fee is accrued on that Business Day and reflected in the Net Asset Value of each such Share Class on the following Calculation Day, by applying the relevant multiplier identified in the Performance Fee section of the Fund Characteristics table for the relevant Fund set out in Appendix III to the excess of:

- the relevant Net Asset Value per Share determined on the same Calculation Day (before deduction of any performance fee paid or payable in respect of that Performance Period) less
- the High Water Mark,

multiplied by the number of Shares in issue on the relevant Business Day.

Subject to fulfilling the criteria for a performance fee, a Fund may utilise a catch-up mechanism where the Investment Manager receives the benefit of excess performance until it reaches a specified percentage of total profits (the "Catch-Up"). Once the Catch-Up is satisfied, any remaining profits are distributed between the Investment Manager and Shareholders according to an agreed percentage. Details of any applicable Catch-Up are contained in Appendix III.

On each Calculation Day, any accounting provision made on the previous Calculation Day is adjusted to reflect the Share Class' performance, positive or negative, calculated as described above. If the Net Asset Value per Share on the Calculation Day is lower than the High Water Mark, the provision made on the previous Calculation Day is returned to the relevant Share Class within the relevant Fund. The accounting provision may, however, never be negative. Under no circumstances will the respective Investment Manager pay money into a Fund or to any Shareholder for any underperformance.

**(C) General**

In either of the above two methodologies, if the Net Asset Value per Share is below the High Water Mark, the Investment Manager will not benefit from any performance fee accruals including for Shares that are newly issued and which only experience positive performance. The Directors therefore reserve the right to immediately close the relevant Share Class for new subscriptions, although redemptions and switches out will continue to be allowed as usual. Shares in a new relevant Share Class will then become available for subscription with a High Water Mark set at the initial Net Asset Value per Share of that Class.

At the time of issue of this Prospectus, the relevant Funds and Share Classes in relation to which a performance fee may be introduced are specified in the Fund Details in Appendix III, including details of any Hurdle or Benchmark used. For the avoidance of doubt, the Benchmarks mentioned in Appendix III are solely used for performance fee calculation purposes, and they should therefore under no circumstances be considered as indicative of a specific investment style or level of investment performance. In relation to currency hedged Share Classes, currency hedged versions of the relevant performance fee Benchmark (including currency equivalent cash benchmarks) or Hurdle may be used for performance fee calculation purposes.

## 3.3. 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 II of the 2010 Law and as an alternative investment fund within the meaning of the 2013 Law. The Company was incorporated on 10 December 2015 and its Articles were published in the Mémorial on 24 December 2015. The Articles were amended most recently on 19 May 2025.

The Company is registered under Number B202381 with the "Registre de Commerce et des Sociétés", 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.

The Reference Currency of the Company is the EUR.

(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., further to which the latter has been appointed alternative investment fund manager and to perform administration and marketing functions

(2) Depositary Agreement between the Company, Brown Brothers Harriman (Luxembourg) S.C.A. and the Management Company

(3) Advisory Agreement between the Management Company and Schroder Investment Management Limited

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

(D) In relation to the Depositary Agreement listed above:

(1) The Depositary or the Company may terminate the Depositary Agreement at any time upon ninety (90) calendar days' written notice (or earlier in case of certain breaches of the Depositary Agreement) provided that the Depositary 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 from the Depositary.

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

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 of 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, KID, financial reports and information listed in article 21 of the 2013 Law 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.

Any other financial information to be published concerning the Company, including the Net Asset Value, the historical performance of the Funds, the issue and repurchase price of the Shares and any suspension of such valuation, are available upon request at the registered office of the Company and of the Management Company and on the Internet at www.schroders.com.

### Shareholder Notifications

Relevant notifications or other communications to Shareholders concerning their investment in the Company may be posted on the website www.schroders.com, in the annual or semi-annual reports of the Company or at the Company's, Management Company's or any third party's registered office. 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 3.6 Meetings and Reports.

### 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, rue Höhenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg.

## 3.4. 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. Annual dividends are declared separately in respect of Distribution Shares at the annual general meeting of Shareholders. In addition, the Directors may declare interim dividends in respect of Distribution Shares.

The Directors may decide that dividends be automatically reinvested by the purchase of further Shares. However, no dividends will be distributed if their amount is below the amount of EUR 50 or its equivalent. Such amount will automatically be reinvested.

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 Net Asset Value per Share of the relevant Share Class in non-certificated form. Fractional entitlements to registered Shares will be recognised to up to two decimal places (unless otherwise agreed with the Management Company).

Dividends due on Shares remaining unclaimed five years after the dividend record date will be forfeited and will accrue for the benefit of the relevant Fund.

### Distribution Frequency

Dividends will either be declared as annual dividends or withheld by the annual general meeting of Shareholders unless provided in the Fund details in Appendix III 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 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 may declare the higher amount to be distributed. Equally the Directors 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 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 Net Asset Value per Share of the relevant Share Class in noncertificated form. Fractional entitlements to registered Shares will be recognised to up to four decimal places. 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.

## 3.5. 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 and is subject to any changes in law that may take effect after such date, even with retroactive or retrospective effect. The following information is of a general nature only and does not purport to be a comprehensive description of all tax considerations that may be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the subscribing for, purchasing, owning and disposing of Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Investors. 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 Company's 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 2010 Law). In addition, in respect of Funds whose exclusive investment policy is to invest in money market instruments and/or deposits with credit institutions, the tax levied will be at the rate of 0.01% per annum of their net assets.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, and, (iv) UCITS and UCIs subject to the part II of the Law qualifying as exchange traded funds and (v) UCIs or compartments thereof which are approved as European long-term investment funds in accordance with the ELTIF Regulation.

**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, liquidation proceeds and redemption payments made by the Company are not subject to withholding tax in Luxembourg.

**Mandatory Disclosure Rules**

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("DAC6"). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the "DAC6 Law").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, meet one or more "hallmarks" provided for in the DAC6 Law that is coupled in certain cases, with the main benefit test (the "Reportable Arrangements").

In the case of a Reportable Arrangement, the information that must be reported includes inter-alia the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with the persons that design, market, organise make available for implementation or manage the implementation of the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called "intermediaries"). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

Since January 1, 2021, Reportable Arrangements must be reported within thirty days from the earliest of (i) the day after the Reportable Arrangement is made available for implementation or (ii) the day after the Reportable Arrangement is ready for implementation or (iii) the day when the first step in the implementation of the Reportable Arrangement has been made.

The information reported will be automatically exchanged between the tax authorities of all Member States.

In light of the broad scope of the DAC6 Law, transactions carried out by the Fund may fall within the scope of the DAC6 Law and thus be reportable.

### (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.

Non-resident corporate Shareholders that have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable, must include any income received and gains realised on the sale, repurchase or redemption of Shares, in their taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to non-resident individual Shareholders, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable.

Taxable gains are determined as the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

**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 FATCA regime could be subject to 30% withholding tax on any payment of US source 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 EU 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. Under the CRS Law, the first exchange of information was applied by 30 September 2017 for information related to the calendar year 2016. 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 any jurisdiction other than Luxembourg.

To the extent that the profits of the Company include net income from property situated in the UK, including property income distributions, such net income and distributions are subject to UK corporation tax.

Provided that the Company does not carry on a trade in the UK through a branch or agency situated therein, the Company will not otherwise 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 UK 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, however some Classes of Shares in the Company may not constitute interests in offshore funds, in which case any gain accruing to the holders of those Shares will be taxed as a capital gain. Where Classes of Shares in the Company do constitute interests in offshore funds, unless otherwise specified within Appendix III, they will be 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 fund rules. 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 website www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds.

Under the offshore fund rules, 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 legislation, 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 website: 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 UK 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 derivative 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".

**Stamp Taxes**

Transfers of Shares will not be liable to UK stamp duty unless the instrument of transfer is executed within the UK when the transfer will be liable to UK ad valorem stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest GBP 5. No UK 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, from 6 April 2016 a personal savings allowance is available to exempt the first GBP 1,000 of interest income from tax in the hands of basic rate taxpayers. The allowance is GBP 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 (currently 20%, 40% and 45%).

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, a tax free Dividend allowance of £500 from 2024/2025 is available and total dividends received in a tax year up to that amount 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% (as of April 2022) where they fall within the basic rate, higher rate and additional rate bands respectively. 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.

## 3.6. Meetings, Reports and Financial Statements

### Meetings

The annual general meeting of Shareholders of the Company is held, in accordance with applicable laws and regulations, within six months of the end of each Financial Year, at the registered office of the Company, or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting. The annual general meeting may be held abroad if, in the absolute and final judgment of the Board of Directors, exceptional circumstances so require. Notices of all general meetings of Shareholders are sent by registered post at least eight days prior to the meeting. Such notices will include the agenda and specify the place of the meeting. 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 Internet site 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.

### Financial Statements

The financial statements of the Company are prepared and presented in accordance with generally accepted accounting principles in Luxembourg for investment funds on a going concern basis.

## 3.7. 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. Unless otherwise provided for herein, the Shares carry no preferential and pre-emptive rights. Shares of the Global Private Equity Fund may carry pre-emptive rights in the circumstances described under Section 2.6.

### 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 any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the Company including a requirement to register under the laws and regulations of any country or authority. 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.

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 compulsorily to redeem such Shares.

### 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.

### 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 either in cash or, upon the prior consent of the Shareholders, in kind.

If and when the net assets of all Share Classes in a Fund are less than EUR 50,000,000 or its equivalent in another currency, or in the case of a Share Class, such Share Class falls below the amount of EUR 10,000,000 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 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 Fund, the Directors may decide to redeem all the Shares of that Fund or its liquidation. In any such event Shareholders will be notified by a redemption notice 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 date.

If applicable, pursuant to the ELTIF Regulation, the End of Life of a Fund, qualifying as ELTIF, is described in Appendix III.

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 in the Company or in another UCI or UCITS. 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.

In the event that for any reason the net assets of a Share Class has decreased to, or has not reached an amount determined by the Directors (in the interests of Shareholders) to be the minimum level for such Share Class to be operated in an efficient manner, the Directors may decide to re-allocate the assets and liabilities of that Share Class to those of one or several other Share Classes within the Company and to re-designate the Shares of the Share Class(es) concerned as Shares of such other Share Class(es) (following a split or consolidation, if necessary, and the payment to Shareholders of the amount corresponding to any fractional entitlement). The Shareholder of the Share Classes concerned will be informed of the reorganisation by way of a notice and/or in any other way as required or permitted by applicable Luxembourg laws and regulations.

Any merger of a Fund with another Fund of the Company or with another UCI or UCITS (whether subject to Luxembourg law or not) or a merger of the Company with another UCI or UCITS as defined under Luxembourg law (or any fund thereof) 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 Luxembourg 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 law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

## 3.8. Information

As required by the AIFM Rules, and if applicable, the following information will be periodically provided to Shareholders by means of disclosures in the annual and half-yearly reports of the Company or, if the materiality so justifies, notified to Shareholders separately:

- the percentage of the Funds' assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing liquidity of the Funds, whether or not these are special arrangements, including any changes to the liquidity management systems and procedures referred to in article 16 (1) of the AIFMD and as described in Appendix I, "8. Risk Management Process" which are material in accordance with article 106(1) of the AIFM Regulation;
- the current risk profile of the Funds and the risk management system employed by the Management Company to manage those risks;
- any changes to the maximum level of leverage which the Management Company may employ on behalf of the Funds as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement;
- the total amount of leverage employed by the Funds.

Should the Management Company activate any gates or similar special arrangements or where the Management Company decides to suspend redemptions, the Company shall immediately notify affected Shareholders as set out in section "2.5 Suspensions or Deferrals" of the Prospectus. Any change to the liability arrangements agreed with the Depositary for any discharge of liability shall also be notified without delay to the Shareholders to the extent required by, and in accordance with, applicable laws and regulations.

The Management Company will also make available upon request at its registered office all information to be provided to Investors under the 2013 Law, including: (i) all relevant information regarding conflicts of interest (such as the description of any conflict of interest that may arise from any delegation of the functions listed in Appendix I of the 2013 Law or of any conflicts that must be communicated to Investors under Articles 13.1 and 13.2 of the 2013 Law), (ii) the maximum amount of the fees that may be paid annually by the Funds, (iii) the way chosen to cover potential liability risks resulting from its activities under the 2013 Law, (iv) information on any preferential treatment granted to certain Shareholders and (vi) the risk profile of each Fund and (v) the list of the Correspondents used by the Depositary.

**Complaints for ELTIF Funds**

Complaints by a Shareholder in connection with its investment in any ELTIF Fund should be addressed to such Shareholder's Distributor, with a copy to the Administration Agent.

If a Shareholder does not have a Distributor, the complaint should be addressed in an official language of their Member States to the Compliance Officer, Schroder Investment Management (Europe) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg.

## 3.9. SFDR and Taxonomy

Information relating to Funds with environmental and social characteristics or sustainable investment objectives is provided in Appendix IV 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 IV. 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). 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, with the exception of Schroders Capital Semi-Liquid Energy Transition which takes into account the EU criteria for environmentally sustainable economic activities but does not commit to a minimum percentage alignment to the Taxonomy. 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 IV.

# Appendix I

## Investment Restrictions

The Funds must ensure an adequate spread of investment risks by sufficient diversification and compliance with the percentage limits set out below.

The investment restrictions applicable to the Funds are as follows (expressed as a percentage of their Net Asset Value). Exceptions to the below restrictions and any additional restrictions applicable to a particular Fund are set out in Appendix III. To the extent applicable, the investment restrictions will be in compliance with the 2010 Law, the CSSF circulars (e.g. in particular Circular IML 91/75 and CSSF Circular 02/80) and all applicable laws and regulations.

### 1. Investment in Securities and Money Market Instruments

Unless otherwise stated in Appendix III, the following restrictions apply

(A) Each Fund may not invest more than 10% of their Net Asset Value in securities which are not quoted on a stock exchange or dealt on another Regulated Market.

(B) Each Fund may not acquire more than 10% of its Net Asset Value in securities of the same nature issued by the same issuer.

(C) Each Fund may not invest more than 10% of its Net Asset Value in securities issued by the same issuer.

The restrictions set forth under (A) to (C) above do however not apply to investments in securities issued or guaranteed by an OECD member state or its regional or local authorities or by EU, regional or global supranational institutions and bodies and to investments in target undertakings for collective investment that are subject to risk-spreading requirements at least comparable to those applicable to UCI.

A Fund may invest in money market instruments pursuant to the restrictions set forth under (A) to (C) above.

### 2. Investment in UCIs

Unless otherwise stated in Appendix III, the following investment restrictions apply:

(A) Investment in UCIs shall only be possible under the following conditions:

   (1) each Fund will be able to acquire more than 50% of the units or shares issued by the same UCI, provided that, in such circumstances, if the UCI is a UCI with multiple compartments, the investment of each Fund in the legal entity constituting the target UCI must represent less than 50% of the net assets of each Fund;

   (2) each Fund may not, in principle, invest more than 20% of its net assets in units or shares issued by the same UCI. For the purpose of this restriction of 20%, each Fund of a target UCI with multiple compartments is to be considered as a distinct target UCI on the condition that the principle of segregation of the commitments of the different Funds towards third parties is ensured.

   By derogation, the above restrictions under (1) and (2) shall not apply to investments in open-ended UCIs subject to risk diversification rules similar to those provided for in respect of Luxembourg UCIs governed by Part II of the 2010 Law, if such target UCIs are submitted in their state of origin to a permanent control carried out by a regulatory authority set up by law in order to ensure the protection of investors. Such derogation may not, at any time, result in an excessive concentration of investments of each compartment in any single target UCI, it being understood that, for the purpose of this limitation, each compartment of a target UCI with multiple compartments is to be considered as a distinct target UCI provided that the principle of segregation of the commitments of the different compartments towards third parties is ensured.

(B) 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 of the Target Fund(s) whose acquisition is contemplated may be invested in aggregate 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 2010 Law; and

   (5) there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Fund having invested in the Target Fund(s), and this (these) Target Fund(s).

### 3. Restrictions on the use of Derivatives

Where specified in Appendix III that a Fund uses derivatives with the aim of achieving investment gains, the following restrictions apply on the use of derivatives:

(A) Margin deposits in relation to derivatives dealt on an organised market, premiums paid for the acquisition of options outstanding as well as the commitments arising from derivatives contracted by private agreement may not exceed, in aggregate, 50% of the Net Asset Value of each Fund. The commitment in relation to a transaction on a financial derivative instrument entered into by private agreement by the Funds corresponds to any non-realised loss resulting, at that time, from the relevant transaction.

(B) A Fund must maintain a reserve of liquid assets in an amount at least equal to the margin deposits made by the Fund. Liquid assets do not only comprise time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, but also treasury bills and bonds issued by OECD member countries or their local authorities or by supranational institutions and organisations with European, regional or worldwide scope as well as bonds listed on a stock exchange or dealt on a Regulated Market, which operates regularly and is open to the public, issued by first class issuers and being highly liquid.

(C) A Fund may not hold an open position in a single contract relating to a financial derivative instrument dealt on an organised market or a single contract relating to a financial derivative instrument entered into by private agreement for which the margin required or the commitment taken, respectively, represents 5% or more of the Net Asset Value of the Fund.

(D) Premiums paid to acquire options outstanding having identical characteristics may not exceed 5% of the Net Asset Value of a Fund.

## 4. Borrowing

Unless otherwise stated in Appendix III, the following borrowing limits apply.

A Fund may borrow permanently and for investment purposes from first class professionals specialised in this type of transaction subject to the limits of the ELTIF Regulation if applicable.

Such borrowings are limited to 200% of the Fund’s Net Asset Value. Consequently, the value of the assets of the Fund may not exceed 300% of its net assets. Funds adopting a strategy which presents a high degree of correlation between long and short positions are authorised to borrow up to 400% of their Net Asset Value.

In particular, a Fund is authorised to enter, into one (1) or more credit facilities of up to 30% of the Fund’s Net Asset Value or incur other indebtedness for borrowed money, including through loan commitments, letters of credit, revolving credit facilities or other credit arrangements with one (1) or more banks or other lenders including from the Schroder group (in compliance with the Potential Conflict of Interests section below), issue any form of debt securities and enter into any related documents or agreements contemplated thereby or related thereto. Such a Fund is authorized to pledge, charge, mortgage, assign or otherwise grant a lien or other security interest in or over, or otherwise use as a form of credit support, any of its assets.

The counterparty risk resulting from the difference between (i) the value of the assets transferred by a Fund to a lender as security in the context of the borrowing transactions and (ii) the debt of the Fund owed to such lender may not exceed 20% of the Fund's assets. A Fund may, in addition, give security by using security arrangements which do not result in a transfer of ownership or which limit the counterparty risk by other means.

The counterparty risk resulting from the sum of (i) the difference between the value of the assets transferred as security in the context of the borrowing of securities and the amounts due under the last paragraph of the section "Short Selling" below and (ii) the difference between the assets transferred as security and the amounts borrowed referred to above may not exceed, in respect of a single lender, 20% of a compartment's assets.

## 5. Securities Lending

The Funds will not engage in securities or cash lending transactions where the Funds act as the lender of such securities or cash. Should any Fund use such techniques and instruments in the future, the Company will comply with the applicable regulations and in particular Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse. The Prospectus will be updated prior to engaging in securities or cash lending transactions.

## 6. Sale with Right of Repurchase and Repurchase Agreements

Where specified in Appendix III, a Fund may enter into sale with right of 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.

Each Fund will only enter into sale with right of repurchase and repurchase agreements with counterparties which are first class institutions specialising in these types of transactions and which are subject to prudential supervision rules considered by the CSSF as equivalent to that laid down in EU law.

During the duration of a sale with right of repurchase agreement where the Fund acts as purchaser, it may not sell the securities which are the subject of the contract before the counterparty has exercised its right to repurchase the securities or until the deadline for the repurchase has expired, unless the Fund has other means of coverage. If the Fund is open for redemptions, it must ensure that the value of such transactions is kept at a level such that it is at all times able to meet its redemption obligations. The same conditions are applicable in the case of a repurchase agreement on the basis of a purchase and firm re-sale agreement where the Fund acts as purchaser (transferee).

Where the Fund acts as seller (transferor) in a repurchase transaction, the Fund may not, during the whole duration of the agreement, transfer the title to the security under the repo or pledge them to a third party, or repo them a second time, in whatever form. The Fund must at the maturity of the repurchase transactions hold sufficient assets to pay, if appropriate, the agreed upon repurchase price payable to the transferee.

In its financial reports, the Fund must separately, for its sale with right of repurchase transactions and for its repurchase transactions, indicate the total amount of the open transactions at the date as of which the relevant reports indicate are issued.

Each Fund may incur costs and fees in connection with right of repurchase and repurchase agreements. In particular, a Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment

Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Fund in this respect, as well as the identity of the entities to which such costs and fees are paid 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. All revenues arising from the repurchase and repurchase agreements, net of direct and indirect operational costs and fees, will be returned to each Fund.

The Company will comply with the applicable regulations and in particular Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse when entering into sale with right of repurchase and repurchase agreements.

## 7. Short Selling

Where specified in Appendix III, the following restrictions apply on the use of short selling.

Short sales may not result in a Fund holding:

(A) a short position on transferable securities which are not listed on a stock exchange or dealt on a Regulated Market. However, each Fund may hold short positions on transferable securities which are not quoted and not dealt on a Regulated Market if such securities are highly liquid and do not represent more than 10% of the Fund's Net Asset Value;

(B) a short position on transferable securities which represent more than 10% of the securities of the same type issued by the same issuer;

(C) a short position on transferable securities of the same issuer, (i) if the sum of the settling price of the short positions relating thereto represents more than 10% of the Fund's Net Asset Value or (ii) if the short position entails an exposure exceeding 5% of the Fund's Net Asset Value.

The commitments arising from short sales on transferable securities at a given time correspond to the cumulative non-realised losses resulting, at that time, from the short sales made by a Fund. The non-realised loss resulting from a short sale is the positive amount equal to the market price at which the short position can be covered less the price at which the relevant transferable security has been sold short.

The aggregate commitments of a Fund resulting from short sales may at no time exceed 50% of the Fund's Net Asset Value. If a Fund enters into uncovered sales, it must hold sufficient assets enabling it at any time to close the open positions resulting from such short sales.

The short positions of transferable securities for which a Fund holds adequate coverage are not considered for the purpose of calculating the total commitments referred to above. It is to be noted that the fact that a Fund has granted a security, of whatever nature, on its assets to third parties to guarantee its obligations towards such third parties, is not to be considered as adequate coverage for the Fund's commitments, from the point of view of that Fund.

In connection with short sales on transferable securities, a Fund is authorised to enter, as borrower, into securities lending transactions with first class professionals specialised in this type of transaction. The counterparty risk resulting from the difference between (i) the value of the assets transferred by the Fund to a lender as security in the context of the securities lending transactions and (ii) the debt of the Fund owed to such lender may not exceed 20% of the Fund's Net Asset Value. It is to be noted that the Fund may, in addition, grant guarantees in the context of systems of guarantees which do not result in a transfer of ownership or which limit the counterparty risk by other means.

## 8. Management of collateral

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 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.

(B) Collateral received shall be valued in accordance with the rules described under the section "Calculation of Net Asset Value" on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.

(C) 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.

(F) Where there is a title transfer, the collateral received shall be held by the Depositary or one of its Correspondents 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 United States, France and Germany with no minimum rating;

    (3) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

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.

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

(J) Cash collateral shall be reused for efficient portfolio management, including investment of securities.

### 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):

| 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% |

## 9. 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 Management Company or the Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

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.

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

## 10. ELTIF Regulation

The focus of the ELTIF Regulation is to boost long-term investments in the real economy. The ELTIF Regulation does not define long-term investments, but states that the definition of what constitutes a long-term investment is broad and that its assessment will have to be made on a case-by-case basis in line with the following elements:

*"Eligible investment assets are generally illiquid, require commitments for a certain period of time, and have an economic profile of a long-term nature. Eligible investment assets are non-transferable securities and therefore do not have access to the liquidity of secondary markets. They often require fixed-term commitments which restrict their marketability. Nevertheless, as listed SMEs may face problems of liquidity and access to the secondary market, they should also be considered to be qualifying portfolio undertakings."*

If applicable, the following restrictions prescribed by the ELTIF Regulation shall be measured with respect to ELTIF Funds on a look-through basis as well as at the level of the Intermediary Entity for each investment made through such Intermediary Entity.

Unless otherwise stated in the relevant Fund details in Appendix III, each ELTIF Fund, as from the end of the Ramp-up Period defined in Appendix III, invest:

(A) at least 55% of the ELTIF Fund's capital in ELTIF Eligible Investment Assets;

(B) no more than 45% of the ELTIF Fund's capital in UCITS Eligible Assets;

(C) no more than 20% of the ELTIF Fund's capital in instruments issued by, or loans granted to, any single Qualifying Portfolio Undertaking;

(D) no more than 20% of the ELTIF Fund's capital, directly or indirectly, in any single real asset; and

(E) no more than 20% of the ELTIF Fund's capital in units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or EU AIF managed by an EU AIFM which invest in ELTIF Eligible Investment Assets and UCITS Eligible Assets and have not themselves invested more than 10% of their assets in any other collective investment undertaking;

(F) no more than 10% of the ELTIF Fund's capital in UCITS Eligible Assets where those assets have been issued by any single body (and the concentration limits set out in article 56 (2) of the UCITS Directive shall also apply to investments in such assets by the Fund). The 10% limit may be increased to 25% where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders (in particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest).

(G) the aggregate risk exposure to any single counterparty of the Fund in relation to over the counter (OTC) derivative transactions, repurchase agreements or reverse repurchase agreements, shall not exceed 10% of the value of the ELTIF Fund capital.

(H) No more than 30% of the units or shares of any single ELTIF, EuVECA, EuSEF, UCITS or of an EU AIF managed by an EU AIFM.

(I) UCITS Eligible Assets in accordance with the concentration limits laid down in Article 56(2) of the UCITS Directive.

The investment limit in I. above shall apply from the date that is the earlier of (i) the end of the Ramp-up Period, (ii) five years after the date of the authorisation as an ELTIF and (iii) half the term of the Fund until the End of Life. This investment limit will not apply following the End of Life. During the life of the ELTIF it is also possible to temporarily suspend for a maximum of 12 months the investment limit where the ELTIF raises additional capital or reduces its existing capital.

Unless otherwise defined in an Appendix III, "ELTIF Eligible Investment Assets" shall have the meaning provided for by the ELTIF Regulation and shall include any assets which fall into one of the following categories:

(A) equity or quasi-equity instruments which have been:

 (1) issued by a Qualifying Portfolio Undertaking (as defined below) and acquired by the ELTIF Fund from the Qualifying Portfolio Undertaking or from a third party via the secondary market;

 (2) issued by a Qualifying Portfolio Undertaking in exchange for an equity or quasi-equity instrument previously acquired by the ELTIF Fund from the Qualifying Portfolio Undertaking or from a third party via the secondary market;

 (3) issued by an undertaking in which a Qualifying Portfolio Undertaking holds a capital participation in exchange for an equity or quasi-equity instrument acquired by the ELTIF Fund in accordance with points (1) or (2); ;

(B) debt instruments issued by a Qualifying Portfolio Undertaking;

(C) loans granted by the ELTIF Fund to a Qualifying Portfolio Undertaking with a maturity that does not exceed the life of the ELTIF Fund;

(D) units or shares of one or several other ELTIFs, EuVECAs, EuSEFs, UCITS and EU AIFs managed by EU AIFM provided that those ELTIFs, EuVECAs, EuSEFs, UCITS and EU AIFs managed by EU AIFM have not themselves invested more than ten percent (10%) of their assets in any other collective investment undertaking;

(E) real assets;

(F) simple, transparent and standardised securitisations where the underlying exposures correspond to one of the following categories:

 (1) assets listed in Article 1, point (a)(i), (ii) or (iv), of Commission Delegated Regulation (EU) 2019/1851;

 (2) assets listed in Article 1, point (a)(vii) or (viii), of Delegated Regulation (EU) 2019/1851, provided that the proceeds from the securitisation bonds are used for financing or refinancing long-term investments; and

(G) bonds issued, pursuant to a Regulation of the European Parliament and of the Council on European green bonds, by a Qualifying Portfolio Undertaking.

A Qualifying Portfolio Undertaking is any entity which creates the necessary connection with the real economy. Therefore, neither any financial undertaking (i.e., credit institutes or insurance companies) nor any fund of a certain size which is traded at a regulated market will meet the criteria of a Qualifying Portfolio Undertaking. A Qualifying Portfolio Undertaking shall mean an undertaking that meets, at the time of the initial investment, the following requirements:

(A) it is not a financial undertaking, unless:

 (1) it is a financial undertaking that is not a financial holding company or a mixed-activity holding company; and

 (2) that financial undertaking has been authorised or registered more recently than five years before the date of the initial investment;

(B) it is an undertaking which:

 (1) is not admitted to trading on a regulated market or on a multilateral trading facility; or

 (2) is admitted to trading on a regulated market or on a multilateral trading facility and has a market capitalisation of no more than EUR 1,500,000,000;

(C) it is established in a Member State, or in a third country provided that the third country:

 (1) is not identified as high-risk third country listed in the delegated act adopted pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council;

 (2) is not mentioned in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.

ELTIFs are of a hybrid nature which combines characteristics of the UCITS, for example, the risk diversification rules, the investment limits and the possibility to market to ELTIF Retail Investors, with features of AIFs, such as the appointment of a Management Company and of a depositary, the diversity of asset classes (including illiquid assets) and the structural flexibility.

The Management Company shall procure that:

(A) the Fund shall, in line with the ELTIF Regulation, only invest in (i) ELTIF Eligible Investment Assets and (ii) UCITS Eligible Assets;

(B) the Fund shall not undertake any of the following activities:

 (1) short selling of assets;

 (2) taking direct or indirect exposure to commodities, including via financial derivative instruments, certificates representing them, indices based on them or any other means or instrument that would give an exposure to them;

 (3) entering into securities lending, securities borrowing, repurchase transactions, or any other agreement which has an equivalent economic effect and poses similar risks, if thereby more than 10% of the assets of the Fund are affected by such transactions;

(4) if applicable, using financial derivative instruments, except where the use of such instruments solely serves the purpose of hedging the risks inherent to other investments of the Fund; and

Companies which are included in the same group for the purposes of consolidated accounts, as regulated by Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognised international accounting rules, shall be regarded as a single Qualifying Portfolio Undertaking or a single body for the purpose of calculating the limits referred to in this section.

The Fund will not invest in any asset eligible for investment in which the Management Company has or takes a direct or indirect personal interest, but, for the avoidance of doubt, this will not prevent the Fund from co-investing in underlying ELTIF Eligible Investment Assets alongside other funds managed by the Management Company or its affiliates.

In the event of a breach of any of the foregoing investment restrictions for reasons beyond the control of the Management Company, the Management Company will take the necessary measures to rectify the situation within an appropriate period of time and with due regard to the interests of the Shareholders of the Fund.

When a Qualifying Portfolio Undertaking in which the Fund has invested in no longer fulfils the conditions to be either unlisted or listed but whose market capitalisation is below 1,500,000,000, such investment may continue to be counted for the purpose of calculating the investment limited for a maximum period of three (3) years from the date on which the Qualifying Portfolio Undertaking no longer fulfils the respective requirement.

**Borrowing**

In addition, the ELTIF Regulation provides conditions and limits in respect of borrowing cash as further set out in the relevant Appendix, where applicable.

**Lifecycle of an ELTIF**

As per article 18(3) of the ELTIF Regulation, as further detailed at the article 2 of the ELTIF Delegated Regulation, the life of the ELTIF shall be consistent with its long-term nature and the life shall be sufficient in length to cover the life cycle of each of the individual assets of the ELTIF. This means that (i) the end of the ELTIF's life is aligned with the assets' latest investment horizon at the ELTIF application date, and (ii) any later investment realized by the ELTIF shall not have an investment horizon later than the end of the ELTIF's life end. Further details on the life cycle of an ELTIF Fund can be found in Appendix III.

Typically, the ELTIF life cycle may be summarised as follows: (i) an investment period with a certain Ramp-up Period regarding the portfolio composition and the risk diversification for illiquid assets, (ii) a holding period, (iii) the End of Life initiating the final exit strategy and (iv) the Wind-down Period ending with the liquidation of the ELTIF. From the end of the Ramp-up Period until the start of the Wind-Down Period, Shareholders shall have the right to redeem their Shares in accordance with Article 18 (2) of the ELTIF Regulation and with the provisions set out in Appendix III.

## 11. 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 Funds.

Sustainability risks could arise within a particular business or externally, impacting multiple business. 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 natural habitats; climate change.
- Social: labour strikes; human rights issues; health and safety incidents such as injuries or fatalities; product safety issues; community relations.
- Governance: tax fraud; bribery; corruption; 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 a portfolio company/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 portfolio company/issuer's relationships with its key stakeholders – customers, employees, suppliers, landlords 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 portfolio company/ 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 portfolio company/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 portfolio company/ issuer or implicitly, for example by adjusting the weighting of an portfolio company/issuer's securities in the Funds' portfolio depending on how strongly it believes a sustainability risk may affect that portfolio company/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 Funds.

The Management Company's Risk function provides independent oversight 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 internet site https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/. Please also refer to the risk factor entitled "Sustainability Risks" in Appendix II of the Prospectus.

## 12. Leverage

| Leverage Ratio | Exposure Calculation Methodology |
|---|---|
| 'Gross leverage ratio' | The exposure calculated under the gross methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all derivatives entered into by the Fund in accordance with the conversion methodologies for gross exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.<br><br>Cash and cash equivalent (including cash borrowing that remain in cash or cash equivalent) held in the base currency of the Fund are excluded from the exposure calculation.<br><br>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus). |
| 'Commitment leverage ratio' | The exposure calculated with the commitment methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all derivatives entered into by the Fund in accordance with the conversion methodologies for commitment exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable. Under this method, netting and hedging arrangements can be taken into consideration under certain conditions.<br><br>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus). |

The two ratios resulting from applying the gross or commitment methodology for calculating the exposure of the Fund supplement each other and provide a distinct representation of leverage.

Gross leverage is a conservative way of representing leverage as it 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 derivative positions. As a result, derivatives roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do.

As a result, a Fund that exhibits a high level of gross leverage is not necessarily riskier than a Fund that exhibits a low level of gross leverage.

Commitment leverage is a more accurate representation of the true leverage of the Fund as it allows for hedging and netting arrangements under certain conditions.

## 13. Liquidity risk management

The Management Company has established a liquidity risk management process to assess and monitor the liquidity risk profile of a Fund on an on-going basis. This includes a liquidity stress test scenarios including the combination of a strong reduction in the market liquidity with large outflows. Due to the lack of publicly available data on trading volumes for certain fixed income securities and private assets (including private equity, real estate and other real assets) the monitoring relies on internally developed models, portfolio manager assessments, and third party market information in order to assess market liquidity.

In exceptional circumstances such as market liquidity dislocation and in the best interest of the Fund and its Shareholders, the Management Company has implemented special procedures to defer redemption requests on a temporary basis as further detailed under section 2.6 "Special Dealing Procedure".

# Appendix II

## Risks of Investment

### 1. General Risks

Past performance is not a guide to future performance and Shares, other than Shares of liquidity Funds, if any, 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, even if currency hedging is employed.

### 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 will 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. 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.

### 5. 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, regulatory 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; changes in public attitude, and unforeseen events such as natural disasters.

### 6. Concentration of Investments Risks

Although it will be the policy of the Company to diversify its investment portfolio, a Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### 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 2.5, "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 may consider the highest rating for the purposes of determining whether the security is investment grade. When the Funds invest 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.

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, private equity 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. Private Equity

Investments which grant an exposure to private equity involve additional risks than those resulting from traditional investments. More specifically, private equity investments may imply exposure to less mature and less liquid companies. The value of financial instruments which grant exposure to private equity may be impacted in a similar manner as direct investments in private equity. The exposure to private equity will be built over time, depending on the availability and speed of execution of suitable investment opportunities, and may be impacted (without limitation) by market and economic environment factors beyond the control of the Fund. The Fund will source and evaluate potential investments (in accordance with the relevant Fund's investment objective) and there may be a delay between selecting suitable investments and final legal execution of investment opportunities.

## 12. 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. Further, to the extent that a Fund has investments whose cash flows are subject to indexation, the Shareholders will be exposed to the effects of inflation and/or deflation and the Fund's ability to meet targets and its investment objective may be adversely or positively affected by inflation and/or deflation.

## 13. Derivatives Risk

For a Fund that uses derivatives to meet its specific investment objective, there is no guarantee that the performance of the derivatives 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.

## 14. 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.

## 15. 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.

## 16. Futures, Options and Forward Transactions Risk

A Fund may use options, futures and forward contracts on currencies, securities, indices, commodities, 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.

## 17. 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.

## 18. 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.

## 19. 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.

## 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, futures, forwards, caps, 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 derivative 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. Financial 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 derivative 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 derivatives (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.

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.

## 23. OTC Derivative Clearing Risk

A Fund's OTC derivative 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 derivative 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 derivative 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. Depositary 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 Correspondents which are not part of the same group of companies as the Depositary. Investors are exposed to the risk of bankruptcy of the Correspondents where the obligation of the Depositary to replace the assets held by that Correspondent is not triggered or where the Depositary is also bankrupt.

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 Correspondents may be exposed to risk in circumstances where the Depositary will have no liability.

## 25. Smaller Companies Risk

A Fund which invests in smaller companies may fluctuate in value more than other Funds. Smaller 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 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 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 smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

## 26. 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.

## 27. 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 such a Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

## 28. 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.

## 29. Energy Transition-aligned (including Renewable) Infrastructure Risk

The principal risks associated with investments in energy transition-aligned (including renewable) infrastructure assets include but are not limited to the wholesale market price of electricity or heat; commodity prices; feedstock prices; inflation; the availability of the assets to generate energy; counterparties; health and safety; the environment; energy market legal, regulatory and policy risks, including risks relating to the support from schemes overseen or paid by government in any given jurisdiction and risks relating to government intervention, sustainability risks and risks relating to the transition to a decarbonised economy. Additionally, greenfield investments (i.e.: investments prior to assets achieving commercial operations) are exposed to further risks relating to construction and / or development which include securing land, project financing, construction permits and contracts, modern slavery, cost overruns, project delays and environmental issues.

As the market for energy transition-aligned (including renewable) infrastructure 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.

See also the risk factors included in Appendix III below.

## 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 crisis 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.

Equity investments in Russia are currently subject to certain risks with regard to the ownership and custody of securities. This results from the fact that no physical share certificates are issued and ownership of securities is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary), other than by local regulation. No certificates representing shareholdings in Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system.

Equity investments in Russia may also be settled using the local depository, the National Settlement Depository ("NSD"). Although NSD is legally recognised as a central securities depository ("CSD"), it is not currently operated as a CSD and may not protect finality of title. Like local custodians, the NSD still has to register the equity positions with the registrar in its own intermediary name.

If concerns are raised regarding a specific investor, the whole intermediary position in a depository could be frozen for a period of months until the investigation is complete. As a result, there is a risk that an investor could be restricted from trading because of another NSD account holder. At the same time should an underlying registrar be suspended, investors settling through registrars cannot trade, but settlement between two depository accounts can take place. Any discrepancies between a registrar and the NSD records may impact corporate entitlements and potentially settlement activity of underlying clients, which is mitigated by the frequent position reconciliations between the depositories and the registrars.

Securities traded on the Moscow Exchange can be treated as investment in securities dealt in on a Regulated Market.

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.

## 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 a 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 a Fund's ability to complete the sale of securities or to meet redemption requests.

A 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 a Fund or to purchase replacements for the securities that were lent to the counterparty. In the latter case, a Fund's tri-party lending agent will indemnify a 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 a Fund reinvests cash collateral, 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 a Fund's ability to recover its securities on loan, which might restrict a Fund's ability to complete the sale of securities or to meet redemption requests.

Each Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Fund in this respect, as well as the identity of the entities to which such costs and fees are paid 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. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Fund.

## 35. Potential Conflicts of Interest

The Investment Managers and Schroders may effect transactions 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.

Employees of Schroders may have personal investment in a fund or account, including in the Company, managed by the Investment Managers which they may add to or redeem from, in whole or in part from time to time depending on their own requirements. The Investment Managers or Schroders may have invested directly or indirectly in 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. However, the Investment Managers or Schroders, as the case may be, have a duty to ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict of interests had not existed.

The prospect of the Performance Fee may lead the Investment Managers to make investments that are riskier than would otherwise be the case.

If an Investment Manager is registered with the SEC, additional information regarding conflicts of interest and risks specific to the Investment Manager are described in such Investment Manager's Form ADV, Part 2A, which is available on the Investment Adviser Public Disclosure Website (www.adviserinfo.sec.gov).

The Investment Adviser advises the Management Company on the selection of third party Investment Managers. The Investment Adviser may, in relation to certain Funds, also be appointed as an Investment Manager or Sub-Investment Manager. However, the team responsible for providing investment advice to the Management Company and the investment team act separately. The Management Company has therefore not identified any conflict of interest between the investment advisory role and portfolio management role of the Investment Adviser. Any potential conflict that may arise in the future will be identified, managed and monitored in accordance with the conflict of interest policy of the Management Company.

The Investment Managers and the Management Company manage and advise several accounts for multiple clients with overlapping investment strategies and objectives, and the allocation of investment opportunities among various clients creates inherent conflict of interest, particularly where an investment opportunity is limited. Further, the Investment Managers and the Management Company will continue to raise money from investors that may invest in competing strategies.

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, management and performance fees/expenses. However the Investment Managers will seek to negotiate a reduction in management fees 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. Commodities

Investments which grant an exposure to commodities involve additional risks than 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.

## 41. 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.

## 42. 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.

## 43. Impact of Fund of Funds Strategies on 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 3.5 Taxation for comments on taxation generally).

In certain countries, such as Germany, Austria and the UK, 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.

If the fund of funds acquires investments which do not qualify as Reporting Funds for German investment tax purposes, German tax resident Shareholders of the fund of funds will be subject to disadvantageous "lump sum" taxation pro rata with the income derived from such non-Reporting Funds.

In the UK, returns from investments that are non-Reporting Funds are treated as being entirely income, and reportable as income by the fund of funds. Thus a greater proportion of the Shareholder's return from the fund of funds is treated as income, rather than capital, and is 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.

Shareholders, the Company and/or any vehicle in which the Company has a direct or indirect interest may be subject to tax in jurisdictions in which the Shareholders, the Company or any such vehicles are incorporated, organised, controlled, managed, have a permanent establishment or permanent representative, or are otherwise located and/or in which investments are made and/or with which investments have a connection.

Moreover, taxes such as withholding tax, branch profits tax or similar taxes may be imposed on profits of, or proceeds received by, the Company from investments in such jurisdictions, and such taxes may not be creditable to, or deductible by, the Company or the Shareholders in their respective jurisdictions.

Prospective Shareholders should consider their own tax position in relation to subscribing for, purchasing, owning and disposing of Shares, and consult their own tax advisors as appropriate. None of the Company and its affiliates, or any officer, director, member, partner, employee, advisor or agent thereof can take responsibility in this regard.

## 44. Base Erosion and Profit Shifting and Anti-Tax Avoidance Directives

The pace of evolution of fiscal policy and practice has recently been accelerated due to a number of developments. In particular, the Organization for Economic Co-operation and Development (the "OECD") together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as base erosion and profit shifting ("BEPS") through 15 actions detailed in reports released on 5 October 2015.

As part of the BEPS project, new rules dealing inter alia with the abuse of double tax treaties, the definition of permanent establishments, controlled foreign companies, restriction on the deductibility of excessive interest payments and hybrid mismatch arrangements, have been or will be introduced into the respective domestic laws of jurisdictions which form part of the BEPS project, via European directives and a multilateral instrument.

The Council of the European Union ("EU") adopted two Anti-Tax Avoidance Directives (i.e. Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("ATAD I") and Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries ("ATAD II")) that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented by the law of 21 December 2018 (the "ATAD I Law") and the law of 20 December 2019 (the "ATAD II Law") into Luxembourg domestic law. Most of the measures have been applicable since 1 January 2019 and 1 January 2020, the remaining being applicable as from tax year 2022. These measures may significantly affect returns to the Company and the Shareholders.

Furthermore, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "MLI") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. Luxembourg ratified the MLI through the Luxembourg law of 7 March 2019 and deposited its instrument of ratification with the OECD on 9 April 2019. As a result, the MLI entered into force for Luxembourg on 1 August 2019. Its application per double tax treaty concluded by Luxembourg depends on the ratification by the other contracting state and on the type of tax concerned. The resulting changes and any other subsequent changes in tax treaties negotiated by Luxembourg may significantly affect returns to the Company and the Shareholders.

### FATCA and CRS

Under the terms of the FATCA Law and CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Company may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations.

Should the Company become subject to a withholding tax and/or penalties as a result of non-compliance under the FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the value of the Shares held by all Shareholders may be materially affected.

Furthermore, the Company may also be required to withhold tax on certain payments to its Shareholders which would not be compliant with FATCA (i.e. the “foreign pass thru payments” withholding tax obligation).

## 45. Business Dependent Upon Key Individuals

Shareholders will have no right to control the day-to-day operations or investment and divestment decisions of a Fund. A Fund relies on the Investment Manager in formulating the investment strategy and managing the Fund's portfolio and on the diligence, skill, judgement, business contacts and experience of the Investment Manager and its employees. The success of a Fund is significantly dependent upon the expertise of the key individuals of its Investment Manager and any future unavailability of their services could have an adverse impact on the Fund’s performance.

## 46. Hedging Risk

A Fund may (directly or indirectly) employ hedging by taking long and short positions in related instruments. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of such portfolio positions or prevent losses if the values of such positions decline. Hedging transactions may limit the opportunity for gain if the value of the portfolio position should increase. In the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to protect, the desired protection may not be obtained, and a Fund may be exposed to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.

## 47. Short Selling Risk

A Fund may use financial instruments or derivatives to implement physical or synthetic short positions. If the price of the instrument or market which the Fund has taken a short position on increases, then the Fund will incur a loss in relation to the increase in price from the time that the short position was entered into plus any premiums and interest paid to a counterparty. Therefore, taking short positions involves the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.

## 48. 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” in section 1.3.

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.

## 49. 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. Should sustainability risks fail to be identified and mitigated or materially changed, to the extent sustainability risks materialise, they could have a material adverse effect on a Fund.

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 also invest in companies that do not reflect the beliefs and values of any particular investor; 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.

## 50. Borrowing risk

Funds may borrow money in order to make investments, pay expenses or for working capital purposes within the limitation as set out in Appendix III.

The use of leverage can amplify potential gains and losses from investments, resulting in interest expenses and costs that may not be covered by distributions received by the Fund or investment appreciation. The need to service indebtedness will have implications on cash flows and investment performance. Interest rate exposure may be managed through hedging, but there can be no guarantee that such arrangements will be entered into or that they will be effective. Inadequate cash flow to meet debt service obligations may result in partial or total loss of capital invested, impacting returns..

Securing indebtedness may involve agreeing to covenants and offering security over underlying assets. These covenants and security arrangements may unduly constrain the Fund's operations and impact returns. Failure to fulfil obligations under financing documents may lead to lender demands for repayment or realisation of security, adversely affecting returns.

As a result of a default, to avoid a default or to raise cash to meet a repayment requirement, a Fund may be required to liquidate assets in its portfolio that it otherwise would not liquidate, or at a time that is not the optimal time to sell such assets. In addition, a Fund may be required to deliver its portfolio. Any such event could have a material adverse effect on the Fund's portfolio and could result in the Fund being unable to achieve its investment objective.

## 51. Risk regarding loan participation

The risk management system and the procedures established in respect of each Fund comprise, where applicable, (i) procedures for the periodic monitoring and evaluation of the evolution of loan quality in order to determine, as necessary, the appropriate levels of impairment in value of loans; and (ii) procedures for periodic monitoring of appropriate diversification regarding borrowers (risks associated with e.g. "borrower correlation" or "connected group of borrowers" should be taken into account).

As regards collateral and loan collection, the following procedures have been established by the Management Company and/or the Investment Manager in respect of the Fund, where applicable: (i) procedures to verify and ensure the existence, quality and valuation of collateral, if any, until the loan's maturity date; (ii) procedures regarding enforcement of collateral arrangements, where applicable, and loan collection/recovery; and (iii) procedures to mitigate maturity transformation.

## 52. Artificial Intelligence Risk

Recent technological advances in artificial intelligence and machine learning technology (collectively, "Machine Learning Technology") including 'Generative AI' that refers to artificial intelligence that can generate new content such as text, images, videos based on its training. ChatGPT is an example of a Generative AI model released by OpenAI that can generate human-like text. Generative AI has the potential to positively impact businesses by automating repetitive tasks and increasing productivity. However, it also poses risks to the Management Company, the Investment Manager, the Fund and the Fund's portfolio companies such as bias, job disruption, and legal issues.

While the Management Company and the Investment Manager could utilise Machine Learning Technology in connection with their business activities, including investment and asset management activities, the Management Company and the Investment Manager continue to evaluate and adjust internal policies governing use of Machine Learning Technology by its personnel. Notwithstanding any such policies, the Management Company's or Investment Manager's personnel could, unbeknownst to the Management Company or Investment Manager, utilize Machine Learning Technology in contravention of such policies. The Management Company and the Investment Manager, the Fund and the Fund's portfolio companies could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to the Management Company and the Investment Manager, also use Machine Learning Technology in their business activities. The Management Company and Investment Manager may not be in a position to control the manner in which Machine Learning Technology is used, or the manner in which third-party services are provided.

Independent of its context of use, Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error – potentially materially so – and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that the Management Company, the Investment Manager, the Fund or the Fund's portfolio companies are exposed to the risks of Machine Learning

Technology use, any such inaccuracies or errors could have adverse impacts on the Management Company, the Investment Manager, the Fund or the Fund's portfolio companies.

Use of Machine Learning Technology by any of the parties described in the previous paragraphs could include the input of confidential information —either by third parties in contravention of non-disclosure agreements or by the Management Company or the Investment Manager personnel in contravention of the Management Company's and the Investment Manager's policies—into Machine Learning Technology applications, resulting in such confidential information becoming part of a dataset that is accessible by other third-party Machine Learning Technology applications and users.

There are numerous regulatory efforts focused on AI that are expected to provide a pathway to risk mitigation. More laws and regulations are expected as generative AI becomes more widely adopted and will lead to contracts and policies need to be in place to govern AI development and use. Machine Learning Technology and its applications, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

## 53. Global minimum tax generic risk warning and indemnity

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.

# Appendix III

## Fund Details

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

The specific investment objectives and policies of each of the Funds are subject to the following interpretation: a Fund 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 or uses a similar description 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 (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 percentage 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.

If a Fund makes reference to a region or country, this means that it will invest or gain exposure to companies headquartered, incorporated, listed or having their principal business activity in that region or country.

### Use of derivatives

Each Fund (excluding ELTIF Funds) may employ derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently, in accordance with its investment policy and specific risk considerations as disclosed below. 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. A significant proportion of each Fund's long positions will be sufficiently liquid to cover at all times each Fund's obligations arising from its short positions.

ELTIF Funds may only employ derivatives for hedging risks arising from exposures to ELTIF Eligible Investment Assets and UCITS Eligible Assets, in accordance with the ELTIF Regulation.

The details of each Fund are listed below.

Words and expressions defined in the Prospectus will, unless otherwise defined in this Appendix (under the specific description of each Fund), have the same meaning when used in this Appendix.

# Schroders Capital Semi-Liquid Circular Economy Private Plus*

## *As of 01 July 2025 the Fund Name will change to: Schroders Capital Semi-Liquid Global Private Equity ELTIF

### Investment Objective

The Fund aims to provide capital growth over five to seven years by investing in a diversified range of private and public companies worldwide whose activities the Investment Manager considers contribute to the transition to a circular economy and which the Investment Manager deems to be sustainable investments.

**As of 01 July 2025 the Investment Objective will change to:**

The Fund is an ELTIF Fund and aims to provide capital growth over the medium to long term by investing in a diversified range of private equity investments worldwide.

### Investment Policy

The Fund is actively managed and invests its assets in sustainable investments, which are investments that the Investment Manager believes will contribute towards the environmental objective of the transition to a circular economy. A circular economy is a system that has the environmental aim of reducing waste, pollution and the use of natural resources by keeping materials in use for as long as possible. Please see the Fund Characteristics section for more details. The Fund may also hold a portion of investments that the Investment Manager deems to be neutral under its sustainability criteria. These may include, but are not limited to, derivatives for hedging purposes, cash and money market investments.

The Investment Manager and Schroder Investment Management Limited ("the Sub-Investment Manager") will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the Company's contribution to the transition to a circular economy and to the UN SDGs alongside the Investment Manager's assessment of the company's impact via its proprietary impact investment management framework and tools (including an impact scorecard).

The Fund is an impact strategy. As such, it applies highly selective investment criteria, and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosures" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).

The Investment Manager, and Sub-Investment Manager, may also engage with companies held by the Fund to seek to improve sustainability practices and enhance environmental impacts generated by underlying investee companies.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website 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 will invest directly and indirectly in the equity interests of companies that are not listed on stock exchanges (private equity) and in public equities or equity related securities.

The Fund may invest up to 100% in private equity strategies. The Fund may invest up to 50% in public equities or equity related securities under normal circumstances.

Private equity strategies (the "Strategies") are linked to the financial stage of the underlying interests. These Strategies include providing seed capital to companies at an early stage (Venture Capital), providing follow-on or expansion financing to companies in their development stage (Growth Capital) or providing finance for the acquisition of more mature companies (Buyout)

The Fund may access investment opportunities directly or indirectly within the Strategies through primary and secondary investments in private equity funds and direct investments or co-investments, as well as investment opportunities in listed equities. Primary investments entail investing in private equity funds during their initial fundraising which in turn invest in privately held companies or make private investments in public companies, potentially in order to take them private. Secondary investments entail acquiring existing fund investments from another private equity investor who wishes to exit their investment before the end of its life. Direct private equity investment or co-investments relate to holdings in unlisted equities of companies, whether directly or through a special purpose vehicle, typically alongside a general partner.

The Fund may invest in money market instruments, money market funds and hold cash and may exceptionally hold up to 100% in such assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3. "Restrictions on Subscriptions and Switches into certain Funds or Classes".

**As of 01 July 2025 the Investment Policy will change to:**

The Fund will invest at least 55% of its assets directly or indirectly in private equity opportunities worldwide that qualify as ELTIF Eligible Investment Assets. The Fund may also invest in UCITS Eligible Assets, including but not limited to open-ended Investment Funds.

The Fund will invest directly and indirectly in the equity interests of companies that are not listed on stock exchanges (private equity) worldwide. The Fund may also invest in UCITS Eligible Assets worldwide, including but not limited to Investment Funds that invest in listed equities or equity related securities and/or listed fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies.

As an ELTIF, the Fund will invest in long-term assets, meaning assets that are typically of an illiquid nature, require commitments made for a considerable period of time, which often provide a late return on investment and generally have an economic profile of a long-term nature.

The Fund may invest up to 100% in private equity strategies. In normal market conditions, the fund will typically invest 10-20% in UCITS Eligible Assets, including but not limited to Investment Funds that invest in listed equities or equity related securities and/or listed fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies. The Fund will invest a maximum of 45% in UCITS Eligible Assets.

Private equity strategies (the "Strategies") are linked to the financial stage of the underlying interests. These Strategies include providing seed capital to companies at an early stage (Venture Capital), providing follow-on or expansion financing to companies in their development stage (Growth Capital) or providing finance for the acquisition of more mature companies (Buyout).

The Fund may access investment opportunities directly or indirectly within the Strategies through primary and secondary investments in private equity funds and direct investments or co-investments. Primary investments entail investing in private equity funds during their initial fundraising which in turn invest in privately held companies or make private investments in public companies, potentially in order to take them private. Secondary investments entail acquiring existing fund investments from another private equity investor who wishes to exit their investment before the end of its life. Direct private equity investment or co-investments relate to holdings in unlisted equities of companies, whether directly or through a special purpose vehicle, typically alongside a general partner.

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

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3. "Restrictions on Subscriptions and Switches into certain Funds or Classes".

The Fund promotes environmental and social characteristics as defined under the Article 8 SFDR. See Appendix IV for further details.

## Further Information regarding Investment Restrictions

The Fund may invest up to 100% of its total net assets in unlisted securities. However, except for investment in open-ended Investment Funds, no more than 10% of its total net assets may be invested in any single company as measured at the time of investment.

The Fund may invest up to 30% of its total net assets in a single open-ended Investment Fund.

The Fund will not invest more than 30% of its total net assets in private funds or companies managed by any single general partner.

The investment restrictions mentioned above (in relation to investment concentration) will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first 24 months after the Fund's Launch Date. The Ramp-Up Period can be shortened at the discretion of the Board of Directors. The Fund may therefore, during its Ramp-up Period, be subject to concentration risk in the underlying investments.

**As of 01 July 2025 the Further Information regarding Investment Restrictions will change to:**

The Fund will comply with the investment restrictions outlined in the ELTIF Regulations and summarised in Appendix I.

### Circumstances in which the Fund may use Leverage and Types and Sources of Leverage permitted

The Fund is expected to have access to a credit facility of up to 30% of Net Asset Value to help the Fund manage through periods of intense market stress where distributions from the underlying companies in the investment portfolio reduce to a level at which the Fund cannot meet the capital calls on commitments from the underlying portfolio. The credit facility would be used to avoid the Fund having to make forced asset sales to meet these capital calls. The assets of the Fund may be used as collateral in connection with the credit facility. The credit facility will incur customary commitment fees and additional charges on any amounts drawn down.

### Maximum Level of Leverage

| Exposure Calculation Methodology | Leverage Ratio |
|---|---|
| 'Gross leverage ratio' | 130% |
| 'Commitment leverage ratio' | 130% |

## As of 01 July 2025 the following section will be introduced:

## Eligible Investors

Shares may be acquired only by Eligible Investors, including ELTIF Retail Investors.

The Management Company will not directly market the Fund to ELTIF Retail Investors. Distributors of the Fund, as applicable, will be responsible for the marketing of the Fund to ELTIF Retail Investors. Marketing of the Fund to ELTIF Retail Investors domiciled in EEA countries shall solely be done by Distributors having a MiFID license or equivalent in local laws and complying with the relevant requirements of MiFID and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. The Management Company shall ensure that the Distributors meet the conditions stated above.

In case of marketing of the Share Classes to ELTIF Retail Investors, each applicable Distributors of the Fund will verify that each such Retail Investor who subscribes is an Eligible Investor, and that the contemplated investment is suitable to such Retail Investor, as per article 30 of the ELTIF Regulation.

Investors are advised that only a small proportion of their overall investment portfolio should be invested in an ELTIF such as the Fund. It is an illiquid investment, and its investments are long-term in nature. Therefore, the Fund may not be suitable for retail investors that are unable to sustain such a long-term and illiquid commitment.

## Fund Characteristics

| | |
|---|---|
| Fund Currency | USD |
| Fund Life | The Fund is established for an initial term of 99 years as from its authorization as an ELTIF which may be extended by the Board of Directors by up to five (5) one-year periods. At the end of the Fund's life, unless extended by five consecutive one-year periods, the Fund will be dissolved and wound up in accordance with the ELTIF Regulations. |
| Investment Manager | Schroders Capital Management (Switzerland) AG |
| Dealing Frequency | In normal circumstances the Fund's Dealing Frequency and Cut-Off time, as set out below, will apply.<br><br>However, the Directors may decide at their discretion not to accept redemptions and/or subscriptions for a period of up to 12 months, if deemed in the interest of existing Shareholders. In any case, no issue or redemption of Shares will take place during any period when the calculation of the Net Asset Value per Share is suspended as defined in Section 2.5 "Suspensions or Deferrals" above.<br><br>In the event that the calculation of the Net Asset Value per Share has been suspended for 12 months, the Directors may decide to introduce additional measures to deal with extraordinary circumstances (for example, periods of extraordinary market and economic circumstances) or circumstances which in the reasonable opinion of the Directors warrant application of the Special Dealing Procedure (as defined in Section 2.6 "Special Dealing Procedure") in the interest of existing Shareholders. Such measures shall be of a temporary nature only and are expected to be lifted once these circumstances have normalised or where the application of the Special Dealing Procedure is in the reasonable opinion of the Directors no longer required.<br><br>Shareholders will be informed in a timely manner, should the Directors decide to make use of the Special Dealing Procedure. Any Shareholder who has submitted a request for redemption of Shares prior to such announcement may withdraw their request. If the redemption request is not withdrawn, the redemption will be deferred to the first Valuation Day following the termination of the suspension of the Net Asset Value calculation or to the Special Redemption Day at the Secondary Value Dealing Price (as defined in Section 2.6 "Special Dealing Procedure"), as the case may be.<br><br>Notice of the suspension will be published as required by Luxembourg law and regulations. |
| Dealing Day | For subscriptions: Last Business Day in each calendar month<br><br>For redemptions: Last Business Day in March, June, September and December |
| Dealing Cut-off time [1] | For subscriptions:<br>13:00 Luxembourg time 5 Business Days preceding a Dealing Day<br><br>**From 01 July 2025 the Dealing Cut-off time for subscriptions will change to:**<br><br>13:00 Luxembourg time 15 Business Days preceding a Dealing Day<br><br>During the period commencing on a Shareholder's signature of the initial subscription agreement of the Shares and ending on the date two weeks later, any ELTIF Retail Investor may, by written notice to the Fund, cancel his or her subscription without penalty.<br><br>For redemptions:<br>13:00 Luxembourg time 90 calendar days preceding a Dealing Day |
| Calculation Day | The last Business Day of each calendar month. |
| Availability of Net Asset Value per Share | The Net Asset Value per Share will ordinarily be available 20 Business Days after the relevant Dealing Day.<br><br>For the purpose of the calculation of the Net Asset Value per Share, the Company will utilise the latest available information, which frequently will not coincide with a Dealing Day, and may likely differ with information subsequently received for the preparation of the Company's financial statements. The Company will not retrospectively adjust Net Asset Values published at a Dealing Day as a consequence of subsequently issued audited financial statements. |
| Settlement Period of Subscription and Redemption Proceeds [2] | For subscriptions: within 22 Business Days from the relevant Dealing Day<br><br>For redemptions: within 2 Business Days from the release of the Net Asset Value per Share |

1 Please note that the above-mentioned dealing cut-off time for redemptions will not be applicable to seed capital provided by the Schroder Group.
2 Different subscription and redemption procedures may apply if applications are made through Distributors.

| | |
|---|---|
| Redemptions | The net redemptions (redemptions received for a given quarter netted off against subscriptions received over that quarter) on any one Dealing Day will be limited to 5% of the Fund's Net Asset Value as at the relevant Calculation Day at the end of the preceding quarter. If redemptions are above 5% on any Dealing Day, these will be processed on pro rata basis. Investors will be informed of any redemption amount not processed on the relevant settlement date. Any redemption amount not processed on any Dealing Day will be deferred until the next Dealing Day unless cancelled by the Investor. No interest will be paid on any payments received in relation to applications being deferred in accordance with this clause. The 5 % limit above may be rounded down to the nearest percent at the Management Company's discretion. The Management Company may also waive or increase the 5% limit for net redemptions on a given Dealing Day if it determines that there is sufficient available liquidity.<br><br>**From 01 July 2025 the Redemptions policy will change to:**<br><br>In accordance with Article 18(2) of the ELTIF Regulation, Shareholders may request the redemptions of their shares before the End of Life subject to the conditions below.<br><br>The net redemptions (redemptions received for a given quarter netted off against subscriptions received over that quarter) on any Dealing Day will be limited to the lower of 33.3% of UCITS Eligible Assets or 5% of the Fund's Net Asset Value as at the relevant Calculation Day at the end of the preceding quarter (calculated in accordance with Annex I of the ELITF Delegated Regulation) ("Redemption Cap")<br><br>To determine the maximum size of redemption on a Dealing Day for redemptions, the Management Company shall apply the Redemption Cap to the sum of (i) UCITS Eligible Assets; and (ii) the expected cash flows (forecasted on a prudent basis over 12 months).<br><br>If redemptions are above the Redemption Cap on any Dealing Day, these will be processed on pro rata basis. Investors will be informed of any redemption amount not processed on the relevant settlement date. Any redemption amount not processed on any Dealing Day will be deferred until the next Dealing Day unless cancelled by the Investor. No interest will be paid on any payments received in relation to applications being deferred in accordance with this clause. The Management Company may also increase the Redemption Cap on a given Dealing Day if it determines that there is sufficient available liquidity, provided that net redemptions on any Dealing Day will be limited to 33.3% of UCITS Eligible Assets.<br><br>A redemption fee of up to 5%, payable to the Fund, may be applicable at the discretion of the Directors from time to time. Shareholders who have submitted a request for redemption of Shares will be informed in a timely manner of the applicable redemption fee. |
| Performance Fee | None<br><br>**From 01 July 2025 the Performance Fee will change to:**<br><br>For Share Classes subject to a performance fee:<br><br>12.5% (multiplier) of the outperformance over 5.00%p.a. (the Hurdle) subject to a High Water Mark as per the methodology in section 1.2A with a 100% Catch Up (defined below).<br><br>The Investment Manager is allocated a Performance Fee as follows:<br><br>if the Net Asset Value per Share at the end of a Performance Period (before deduction of any performance fee paid or payable in respect of such Performance Period) is greater than the High Water Mark and Hurdle (any such excess, "Excess Profits"), 100% of such Excess Profits shall be allocated to the Investment Manager until the Investment Manager has received aggregated allocation in an amount equal to 12.5% of the sum of (i) the Hurdle for the Performance Period and (ii) any amount allocated pursuant to this clause (the "Catch Up"); and<br><br>Thereafter, any remaining Excess Profits shall then be allocated (i) 87.5% to the Fund and (ii) 12.5% to the Investment Manager |
| Sustainability Criteria | The Investment Manager and Sub-Investment Manager, applies sustainability criteria when selecting investments for the Fund.<br><br>Potential investments are assessed on key performance indicators ("KPIs") relating to the circular economy.<br><br>The Investment Manager and Sub-Investment Manager, understands the circular economy to be an economy that moves away from the consumption of finite resources and "take-make-waste" practices towards a system that designs out waste and pollution and keeps materials in use for as long as possible.<br><br>The transition to a circular economy requires several developments including, but not limited to:<br><br>i) Support for, and improvements in, sustainable and/or circular production<br><br>ii) Avoidance, and/or reduction, of pollution and the use of non-renewable resources<br><br>iii) Maximisation of product and/or service usage<br><br>iv) Maximisation of recovered, refurbished, remanufactured and recycled materials from waste |

v) Improved economic and social empowerment through innovative technologies promoting the circular economy

vi) Encouraging and supporting the regeneration of natural capital and improving biodiversity

Both private equity investments and listed equities apply a proprietary impact scorecard to assess how companies can support the environmental objective of a transition to a circular economy. There is a detailed impact assessment of every company via the completion of the proprietary scorecard. The impact scorecard focuses on the impact that a company's products and services are expected to have. The Investment Manager, and Sub-Investment Manager, considers different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment includes tracking Key Performance Indicators (KPIs) that are used to measure and monitor the company's impact over time via an annual review. An overview of the KPIs used to measure the sustainable investment objectives of the fund are detailed in the Pre-Contractual Disclosure.

The investment and impact scorecard are then validated and approved by Schroders' Impact Assessment Group (IAG), in order for the investment to be eligible for inclusion in the Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investment teams and members from the investment team. The Fund invests across five key focus areas/ business models which the Investment Manager see as essential in enabling the transition to a circular economy. They are as follows:

Circular supply chain: companies involved in supporting the expansion of renewable energy, and the introduction of fully renewable, recyclable or biodegradable materials that can be used in consecutive lifecycles to reduce costs and increase predictability and control over a supply chain

Recovery and recycling: companies involved in production and consumption systems where material that used to be considered waste is revived for other uses, and companies which can recover end-of-life products to recapture and reuse valuable material, energy and components

Sharing platforms and product as a service: companies involved in the hosting of sharing platforms that use technology to increase the utilisation of assets and prevent idle capacity in an economy; product as a service involves consumers paying for the use of a product rather than the product itself, thereby shifting manufacturers' focus to longevity, reliability and reusability

Product life extension: companies involved in increasing longevity of assets or capturing the value from products that may be broken, out of fashion or no longer needed, by maintaining and improving products through repairs, upgrades or remanufacturing or by finding a new owner

Technology enablers: companies involved in the production or provision of products/services that provide the tools for a transition to a circular economy; these companies can operate across the software, electronics, renewable energy and industrial sectors but all provide necessary tools for a successful circular transition.

More information relating to the sustainable investment objective of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

**As of 01 July 2025 this section will be removed and all information relating to the Fund's the Sustainable Criteria will be contained in the relevant Pre—Contractual Disclosures in Appendix IV.**

## Specific Risk Considerations

Since the Fund will invest in private equity Shareholders should be aware of the associated risks and special factors of this asset class which are not related to investments in traditional listed instruments.

Notwithstanding the risks of investment set out in Appendix II, attention is drawn to the following specific risks:

**Risks arising from the nature of investments in Private Equity**

Private equity investments typically display uncertainties which do not exist to the same extent in other investments (e.g. listed securities). Private equity investments may be in entities which have only existed for a short time, which have little business experience, whose products do not have an established market, or which are faced with restructuring etc. Any forecast of future growth in value may therefore often be encumbered with greater uncertainties than is the case with many other investments.

While private equity investments offer potentially significant capital returns, funds and companies may face business and financial uncertainties. There can be no assurance that their use of the financing will be profitable to them or to any Fund. Investing in private equity and venture capital funds and unlisted companies entails a higher risk than investing in companies listed on a recognised stock exchange or on other regulated markets. This is in particular because of the following circumstances:

The Fund may invest directly and indirectly in less established companies, which may subject it to a greater risk of loss. Such companies may not have any prior operating history. There can be no assurance that the managers of such companies will be able to meet their objectives. There can be no assurance that any such investment completed by the Fund will provide returns commensurate with the risk of investing in such companies.

The Fund's co-investments may afford it only limited rights as a shareholder and, as a result, it may be unable to protect its interests in such investments. The Company may have little or no control over the structure or features of a co-investment, and as a result, will rely on the skills and capabilities of the (third party) investment managers selecting, evaluating, structuring, negotiating and monitoring the underlying (co) direct investment. In addition, in certain private equity funds in which the Fund may invest, other investors may be able to vote to cause a liquidation of such fund at a time when the Fund would not have so voted.

Unlisted companies are often highly dependent on the skills of a small group of managers/directors. These companies often have limited resources.

An investment in the Fund should be thought of as a long-term investment.

### Investments in private equity funds and funds of private equity funds

The Fund is permitted to invest in private equity funds and fund of private equity funds established in jurisdictions where no or limited supervision is exercised on such funds by regulators. Further, the efficiency of any supervision may be affected by a lack of precision of investment and risk diversification guidelines applicable to, and the flexibility of the investment policies pursued by, such funds.

This absence of supervision at both the level of the fund of funds and the underlying funds may result in a higher risk for the Shareholders.

Shareholders in the Fund will bear indirectly the management and advisory fees charged by the investment managers of the various private equity funds, funds of private equity funds and listed private equity investments in which the Fund invests.

It is possible that, even at times when the Fund has a negative or zero performance, the Fund will, indirectly, bear performance fees levied within individual Private Equity Funds, Funds of Private Equity Funds and Listed Private Equity Investments.

### Redemption requests

Investments in private equity investments can be difficult to sell quickly, which may affect the value of the Fund and its ability to meet redemption requests upon demand.

### Liquidity risk

Private equity investments are often illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities).

Securities or other financial assets that the Fund may invest into may be difficult to sell. The eventual liquidity of all investments will depend on the success of any realisation strategy proposed. Such strategies could be adversely affected by a variety of factors. There is a risk that the Fund may be unable to realise its investment objectives by sale or other disposal at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on disposals. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposal of an investment.

It may be difficult to dispose of investments made in unlisted companies. A realisation of investments in unlisted companies may be achieved by way of public offerings or sales to joint venture partners, strategic partners or other investors. However, any realisation of the investment of a Fund in a company may require the agreement of other shareholders in the company, or the consent of the board of directors of the company, or the approval of the relevant authorities. The timing and profitability of the exit strategy for direct investments can be negatively affected by external economic factors beyond the control of the Fund.

There is no established market for secondary investments and although there has been an increasing volume of secondary investment opportunities in recent years, no liquid market has developed nor is one expected to develop.

### Valuation risk

It may be difficult to find appropriate pricing references in respect of unlisted investments. This difficulty may have an impact on the valuation of the portfolio of investments. Certain investments are valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities.

Investments into private equity funds and sponsor-led or third-party managed private equity direct/ co-investments are generally reliant on information supplied by the relevant fund manager or lead sponsoring private equity investor. Such information is generally not available until 60 days or more after every quarter-end and will typically only be audited on an annual basis. Therefore, the most recently provided valuation information for the purposes of calculating the Fund’s monthly net asset value will typically be adjusted by the Fund pursuant to 2.4 Calculation of Net Asset Value.

The Fund will generally not be able to confirm the accuracy of the valuations provided by the relevant fund managers of such investments.

### Sustainability risk

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective 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.

**From 01 July 2025 the following Risk Consideration will be added:**

**Risks Regarding the ELTIF Regulation Requirements**

The investment opportunities for the Fund(s) will be subject to the platform's allocation policy as well as needing to meet the ELTIF Regulation's requirements for eligible assets; therefore there can be no guarantee as to the number of investment opportunities that are eligible for investment by the Fund(s). Further, the compliance with such ELTIF Regulation requirements will also be monitored during the life of the investments and in circumstances where a potential or actual breach of such requirements occurs, the Management Company will need to take mitigating or remedial actions to ensure compliance with the ELTIF Regulations.

## Share Class Features

| Share Classes | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding | Initial Charge [3] |
|---|---|---|---|---|
| A | USD 10,000 | USD 5,000 | USD 10,000 | None |
| A1 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3% |
| A2 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3% |
| C | USD 10,000 | USD 5,000 | USD 10,000 | None |
| E | USD 10,000 | USD 5,000 | USD 10,000 | None |
| I | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| IE | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| S | USD 10,000 | USD 5,000 | USD 10,000 | None |
| X1-X5 | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| Y1 | USD 10,000 | USD 5,000 | USD 10,000 | None |
| Y2 | USD 100,000 | USD 5,000 | USD 10,000 | None |
| Y3 | USD 10,000 | USD 5,000 | USD 10,000 | None |
| Y4 | USD 100,000 | USD 5,000 | USD 10,000 | None |
| Y5 | USD 10,000 | USD 5,000 | USD 10,000 | None |
| Y6 | USD 10,000 | USD 5,000 | USD 10,000 | None |

| Share Classes | Investment Management Fee [4] | Distribution Fee | Performance Fee | Participation to the Investment Manager's legal research and consultancy expenses |
|---|---|---|---|---|
| A | 1.90% | None | None | Up to 15bps p.a. |
| A1 | 1.90% | None | None | Up to 15bps p.a. |
| A2 | 1.90% | Up to 0.55% | None | Up to 15bps p.a. |
| C | 1.45% | None | None | Up to 15bps p.a. |
| E | Up to 1.20% | None | None | Up to 15bps p.a. |
| I | 0% | None | None | Up to 15bps p.a. |

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 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

| Share Classes | Investment Management Fee [4] | Distribution Fee | Performance Fee | Participation to the Investment Manager's legal research and consultancy expenses |
|---|---|---|---|---|
| IE | Up to 1.20% | None | None | Up to 15bps p.a. |
| S | 1.20% | None | None | Up to 15bps p.a. |
| X1-X5 | Up to 1.45% | None | None | Up to 15bps p.a. |
| Y1 | Up to 1.90% | None | None | Up to 15bps p.a. |
| Y2 | Up to 1.90% | None | None | Up to 15bps p.a. |
| Y3 | Up to 1.90% | None | None | Up to 15bps p.a. |
| Y4 | Up to 1.90% | None | None | Up to 15bps p.a. |
| Y5 | Up to 1.90% | None | None | Up to 15bps p.a. |
| Y6 | Up to 2.50% | None | None | Up to 15bps p.a. |

From 01 July 2025 the Share Class Features table will change to:

| Share Classes | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding | Initial Charge [5] | Investment Management Fee [6] | Distribution Fee |
|---|---|---|---|---|---|---|
| R1 [7] | USD 10,000 | USD 5,000 | USD 10,000 | None | 1.90% | None |
| R2 [8] | USD 10,000 | USD 5,000 | USD 10,000 | None | 1.45% | None |
| R3 [9] | USD 10,000 | USD 5,000 | USD 10,000 | None | Up to 1.20% | None |
| I | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | 0% | None |
| R4 [10] | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | Up to 1.20% | None |
| A | USD 10,000 | USD 5,000 | USD 10,000 | Up to 5% | 2.00% | None |
| A1 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 5% | 2.00% | Up to 0.55% |
| B | USD 10,000 | USD 5,000 | USD 10,000 | None | 2.00% | Up to 0.55% |
| C | USD 10,000 | USD 5,000 | USD 10,000 | Up to 1% | 1.00% | None |
| E | USD 10,000 | USD 5,000 | USD 10,000 | None | 0.80% | None |
| EA | USD 10,000 | USD 5,000 | USD 10,000 | Up to 5% | 2.00% | None |
| IE | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | 0.80% | None |
| IZ | USD 100,000,000 | USD 20,000,000 | USD 10,000 | None | 1.00% | None |
| S | USD 10,000 | USD 5,000 | USD 10,000 | None | Up to 1.00% | None |
| X1-6 | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | Up to 2.50% | None |
| Y1-6 | USD 10,000 | USD 5,000 | USD 10,000 | None | Up to 2.50% | None |

| Share Classes | Performance Fee | Costs of setting up the Fund | Costs related to the acquisition of assets | Redemption Fee | Other Costs | Overall Cost Ratio |
|---|---|---|---|---|---|---|
| R1 [7] | None | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 2.49% |
| R2 [8] | None | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 2.04% |
| R3 [9] | None | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 1.79% |
| I | None | N/A | Up to 15bps p.a. | Up to 5% | 0.17% | 0.32% |
| R4 [10] | None | N/A | Up to 15bps p.a. | Up to 5% | 0.17% | 1.52% |

4 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.
5 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.
6 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.
7 Formerly the A Share Class
8 Formerly the C Share Class
9 Formerly the E Share Class
10 Formerly the IE Share Class

| Share Classes | Performance Fee | Costs of setting up the Fund | Costs related to the acquisition of assets | Redemption Fee | Other Costs | Overall Cost Ratio |
|---|---|---|---|---|---|---|
| A | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 2.59% |
| A1 | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 3.14% |
| B | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 3.14% |
| C | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 1.59% |
| E | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 1.39% |
| EA | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | 2.59% |
| IE | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.17% | 1.12% |
| IZ | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.17% | 1.32% |
| S | None | N/A | Up to 15bps p.a. | Up to 5% | 0.15% | Up to 1.30% |
| X1-6 | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.17% | Up to 2.82% |
| Y1-6 | Yes | N/A | Up to 15bps p.a. | Up to 5% | 0.44% | Up to 3.09% |

**As of 01 July 2025, the following additional cost disclosures will be introduced:**

– Costs of setting up the Fund

The costs of setting up the Fund comprises all administrative, regulatory, depositary, custodial, professional service and audit costs related to the setting up of the Fund irrespective of whether they are paid to the Management Company or to any third party. The costs of setting up the Fund set out above is estimated by reference to the NAV of the Fund.

– Costs related to the acquisition of assets

The costs related to the acquisition of assets comprises all administrative, regulatory, depositary, custodial, professional service and audit costs related to the acquisition of the assets of the Fund. These costs shall be charged as they are incurred. The estimated costs related to acquisition of assets shall be calculated by reference to the NAV of the Fund.

– Management and performance related fee

The Management Company will cause management fees to be paid by the Fund to the Investment Manager, as remuneration for their services. The management fees shall be payable quarterly in arrears on each Calculation Day and calculated separately for each Share. For each Share the management fee shall be one quarter of such percentage, as set out for each Share Class under the management fee column of the "Share Class Features" table above, of the relevant Net Asset Value per Share as on the previous Calculation Day.

– Overall cost ratio of the Fund

The overall cost ratio of the Fund shall be the ratio of the total costs to the net asset value per annum of the Fund and shall be calculated in accordance with Article 12(7) of the ELTIF Delegated Regulation.

# Schroders Capital Semi-Liquid Global Energy Infrastructure

## Investment Objective

The Fund aims to provide a return in excess of 10% per annum (before fund fees have been deducted*) over five to seven years and to support the transition to net zero (through the generation and efficient use of green and low-carbon energy and the avoidance of $CO_2e$) by investing in a global portfolio of renewable and other energy transition-aligned infrastructure assets which are deemed to be sustainable investments.

*For the target return after fees for each Share Class please visit the Schroder website: 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 its assets in:

- renewable and other energy transition-aligned infrastructure assets that the Investment Manager believes are sustainable investments and contribute towards the environmental objective of climate change mitigation ("the Unlisted Investments");
- listed equities, held for liquidity purposes, which Schroder Investment Management Limited ("the Sub-Investment Manager") deems to be sustainable investments, which may or may not contribute towards the environmental objective of climate change mitigation ("the Listed Equities"); and
- other investments that the Investment Manager and Sub-Investment Manager deem to be neutral under their sustainability criteria which may include, but are not limited to, derivatives for hedging purposes, cash and money market investments used with the aim of reducing risk or managing the Fund more efficiently.

The Fund will invest globally, with a particular focus on the UK, EEA and the US.

The Fund will invest directly or indirectly through underlying funds managed by the Investment Manager or other subsidiaries and affiliates of Schroders plc.

The Fund is an impact strategy. As such, it applies highly selective investment criteria, and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All Unlisted Investments in the Fund are subject to this framework.

In respect of the Unlisted Investments, the Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution towards the environmental objective of climate change mitigation alongside the Investment Manager's assessment of the company's impact via its proprietary impact investment management framework and tools (including an impact scorecard).

The Fund will target Unlisted Investments contributing to the joint objectives of:

- overall portfolio returns in excess of 10% per annum (the "Financial Objective"); and
- positive environmental impact through climate change mitigation by supporting the energy transition and the path to net zero (through the generation and efficient use of green and low-carbon energy and the avoidance of $CO_2$) (the "Environmental Objective"). The portfolio's Environmental Objective will principally be measured through the generation of green and low carbon energy and/or the avoidance of $CO_2$, as well as other metrics that might be appropriate to individual assets.

The following restrictions relate to the Unlisted Investments. The Fund may invest:

- Up to 50% of its assets in solar photovoltaic assets;
- Up to 50% of its assets in onshore and offshore wind assets;
- Up to 50% of its assets in renewable infrastructure and energy transition-aligned infrastructure assets including, without limitation, direct and/or indirect investments into the following assets:
  - bioenergy assets,
  - hydro-electricity,
  - geothermal electricity generation,
  - large-scale battery storage,
  - hydrogen investments,
  - electric vehicle charging infrastructure,
  - renewable, low carbon or electric heating for homes and businesses, and
  - other renewables and energy transition-aligned infrastructure assets as identified by the Investment Manager;
- Up to 30% of its assets in assets which at the time of their acquisition are subject to development or construction risk, and have not yet entered their operational phase; and
- Up to 30% of its assets into unlisted assets located in countries outside of the UK, EEA and the US.

The Fund may also invest up to 20% of its assets (directly and/or indirectly) in liquid assets (including cash and money market funds, as well as listed equities which the Sub-Investment Manager deems to be sustainable investments and other assets quoted and traded on liquid exchanges), currencies, collective investment schemes (including Schroders Group funds) and warrants, in any country, region or industry, to maintain an appropriate degree of liquidity and to manage excess cash pending investment into the assets described above. For the avoidance of doubt these assets may be invested by investment managers outside the Schroders Group.

The Fund can either take majority (50%+)/full (100%) control stakes or participate in joint ventures or acquire minority interests (<50%), subject to satisfactory governance rights.

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, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Fund invests in assets that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager or Sub-Investment Manager's rating criteria (please see the Fund Characteristics section for more details).

In respect of the Unlisted Investments, the Investment Manager will seek to ensure a minimum standard of good governance in relation to management structures, relevant tax compliance, employee relations, remuneration and avoidance of bribery and corruption, through stakeholder engagement or contractual obligations with the key service providers involved in the operations and managements of the Special Purpose Vehicles ("SPVs") into which the Fund will invest. However, the extent to which this will be possible will depend on the structure of the investment and the nature of the relationship with its key service providers.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3. "Restrictions on Subscriptions and Switches into certain Funds or Classes".

## Further Information regarding Investment Restrictions

The Fund may invest up to 100% of its total net assets in Unlisted Investments. However, except for investment in Investment Funds managed or invested by the Investment Manager (a "Schroders Greencoat Fund"), no more than the higher of $50m or 10% of its total net assets may be invested in any single individual asset or investment.

The Fund may invest up to the higher of $150m or 30% of its total net assets in any single Schroders Greencoat Fund.

The above investment restrictions (including those under the Investment Policy) are measured at the time of investment or, in respect of an investment into a Schroders Greencoat Fund, the time the Fund makes a binding commitment to such fund. Further, all investment restrictions (including those under the Investment Policy) shall be calculated on an aggregated, look-through basis, provided that in respect of investments held indirectly through another Schroders Greencoat Fund at the time of commitment by the Fund, only the Fund's pro rata share as an investor on a commitment basis in such Schroders Greencoat Fund shall be taken into account (i.e., not the entire amount invested by such Schroders Greencoat Fund in such investments).

The investment concentration restrictions mentioned above will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first 24 months after the Fund's Launch Date. The Ramp-Up Period can be shortened at the discretion of the Board of Directors. The Fund may therefore, during its Ramp-up Period, be subject to greater concentration risk in the underlying investments.

The exposure to private market assets will be built over-time depending on the availability and speed of execution of suitable investment opportunities. That could mean that the allocation to renewable and energy transition infrastructure assets may be lower than the long-term target allocation. As a consequence, the allocation to cash, cash equivalents and other liquid assets may exceed the long-term targets during the Ramp Up-Period.

### Circumstances in which the Fund may use Leverage and Types and Sources of Leverage permitted

The Fund is expected to have access to a credit facility of up to 30% of Net Asset Value to aid in the efficient management of the Fund, including helping the Fund manage through periods of intense market stress where distributions from the underlying companies in the investment portfolio reduce to a level at which the Fund cannot meet the capital calls on commitments from the underlying portfolio. The credit facility would be used to avoid the Fund from having to make forced asset sales to meet these capital calls. The Fund may also utilise leverage to increase the amount it can invest into any given investment. The assets of the Fund may be used as collateral in connection with the credit facility. The credit facility will incur customary commitment fees and additional charges on any amounts drawn down.

### Maximum Level of Leverage

| Exposure Calculation Methodology | Leverage Ratio |
|---|---|
| 'Gross leverage ratio' | 300% |
| 'Commitment leverage ratio' | 175% |

## Fund Characteristics

| | |
|---|---|
| Fund Currency | USD |
| Investment Manager | Schroders Greencoat LLP |
| Dealing Frequency | In normal circumstances the Fund's Dealing Frequency and Cut-Off time, as set out below, will apply.<br><br>However, the Directors may decide at their discretion not to accept redemptions and/or subscriptions for a period of up to 12 months, if deemed in the interest of existing Shareholders. In any case, no issue or redemption of Shares will take place during any period when the calculation of the Net Asset Value per Share is suspended as defined in Section 2.7 "Suspensions or Deferrals" above.<br><br>In the event that the calculation of the Net Asset Value per Share has been suspended for 12 months, the Directors may decide to introduce additional measures to deal with extraordinary circumstances (for example, periods of extraordinary market and economic circumstances) or circumstances which in the reasonable opinion of the Directors warrant application of the Special Dealing Procedure (as defined in Section 2.6 "Special Dealing Procedure") in the interest of existing Shareholders. Such measures shall be of a temporary nature only and are expected to be lifted once these circumstances have normalised or where the application of the Special Dealing Procedure is in the reasonable opinion of the Directors no longer required. |

| | |
|---|---|
| | Shareholders will be informed in a timely manner, should the Directors decide to make use of the Special Dealing Procedure. Any Shareholder who has submitted a request for redemption of Shares prior to such announcement may withdraw their request. If the redemption request is not withdrawn, the redemption will be deferred to the first Valuation Day following the termination of the suspension of the Net Asset Value calculation or to the Special Redemption Day at the Secondary Value Dealing Price (as defined in Section 2.6 "Special Dealing Procedure"), as the case may be.<br><br>Notice of the suspension will be published as required by Luxembourg law and regulations. |
| Dealing Day | For subscriptions: Last Business Day in each calendar month<br><br>For redemptions: Last Business Day in March, June, September and December |
| Dealing Cut-off time [1] | For subscriptions:<br>13:00 Luxembourg time 5 Business Days preceding a Dealing Day<br><br>For redemptions:<br>13:00 Luxembourg time 90 calendar days preceding a Dealing Day |
| Calculation Day | The last Business Day of each calendar month. |
| Availability of Net Asset Value per Share | The Net Asset Value per Share will ordinarily be available 20 Business Days after the relevant Dealing Day.<br><br>For the purpose of the calculation of the Net Asset Value per Share, the Company will utilise the latest available information, which frequently will not coincide with a Dealing Day, and may likely differ with information subsequently received for the preparation of the Company's financial statements. The Company will not retrospectively adjust Net Asset Values published at a Dealing Day as a consequence of subsequently issued audited financial statements. |
| Settlement Period of Subscription and Redemption Proceeds [2] | For subscriptions: within 22 Business Days from the relevant Dealing Day<br><br>For redemptions: within 2 Business Days from the release of the Net Asset Value per Share |
| Redemptions | The net redemptions (redemptions received for a given quarter netted off against subscriptions received over that quarter, or rolled over from the previous quarter) on any one Dealing Day will be limited to 5% of the Fund's Net Asset Value as at the relevant Calculation Day at the end of the preceding quarter. If redemption requests are above 5% on any Dealing Day, these will be processed on pro rata basis. Investors will be informed of any redemption amount not processed on the relevant settlement date. Any redemption amount not processed on any Dealing Day will be deferred until the next Dealing Day unless cancelled by the Investor. No interest will be paid on any payments received in relation to applications being deferred in accordance with this clause. The 5% limit above may be rounded down to the nearest percent at the Management Company's discretion. The Management Company may also waive or increase the 5% limit for net redemptions on a given Dealing Day if it determines that there is sufficient available liquidity.<br><br>A redemption fee of up to 5%, payable to the Fund, may be applicable at the discretion of the Directors from time to time, in the event that the Fund would need to make asset sales in the secondary market at a spread to meet redemption requests, to the detriment of the remaining Shareholders. Such redemption fee will be set in consideration of such spread and Shareholders who have submitted a request for redemption of Shares will be informed in a timely manner of the applicable redemption fee. |
| Profile of the Typical Investor | The Fund may be suitable for Investors with a longer term investment horizon and who are more concerned with long-term returns than short-term losses. The Investor has a risk tolerance and assets high enough to absorb potential losses, associated with investing in illiquid assets such as infrastructure, which may be equal to but not greater than the whole amount invested.<br><br>The Fund is intended for Professional Investors. The Fund is not intended for retail Investors other than those who are advised by a professional investment adviser or who are sophisticated Investors. A sophisticated Investor means an Investor who:<br>a) understands the Fund's strategy, characteristics and risks in order to make an informed investment decision; and<br>b) understands the liquidity profile of this Fund and understands and is comfortable with the potential for periods of illiquidity |
| Performance Fee | None |
| Sustainability Criteria | The Investment Manager and Sub-Investment Manager apply sustainability criteria when selecting investments for the Fund.<br><br>The Fund's sustainable investment objective is to seek to contribute to the environmental objective of climate change mitigation by investing in a global portfolio of renewable and other energy transition-aligned infrastructure investments which the Investment Manager deems to be sustainable investments supporting the transition to net zero. |

1 Please note that the above-mentioned dealing cut-off time for redemptions will not be applicable to seed capital provided by the Schroder Group.
2 Different subscription and redemption procedures may apply if applications are made through Distributors.

In respect of the Unlisted Investments, in order to identify companies that contribute to the environmental objective of climate change mitigation, the Investment Manager undertakes a detailed impact assessment of the investment via the completion of a proprietary impact scorecard. The Investment Manager considers different aspects of impact such as: what outcome the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment typically includes Key Performance Indicators (KPIs) that are used to track impact over time.

The investment and impact scorecard is then validated and approved by Schroders' Impact Assessment Group (IAG), in order for the company to be eligible for inclusion in the Fund's investible universe. Certain investment types, including sub-funds and assets in technologies where the impact credentials are mostly homogenous, may be pre-approved by the IAG. Other investments will require pre-approval on a case-by-case basis. The IAG consists of members from Schroders' impact and sustainable investments teams and members of the investment team.

The Fund may also invest up to 20% of its assets in listed equities, held for liquidity purposes, which the Sub-Investment Manager deems to be sustainable investments. For the Listed Equities, a sustainable investment is an investment in a business which demonstrates a minimum of 50% net revenue alignment with one or more of the United Nations Sustainable Development Goals ("UN SDGs"), based on Schroders' proprietary tool. The Listed Equities may or may not contribute towards the environmental objective of climate change mitigation but are deemed to contribute to activities that the Sub-Investment Manager expects to advance one or more of the UN SDGs by contributing positively towards environmental and social development themes.

The Fund may also invest its assets in investments that the Investment Manager and Sub-Investment Manager deem to be neutral under their sustainability criteria.

The Investment Manager (in respect of the Unlisted Investments) and the Sub-Investment Manager (in respect of the Listed Equities) seek to ensure that the Fund causes no significant harm to any sustainable investment objective. The Fund is subject to exclusions, including companies on Schroders' 'global norms' breach list. Further, the Investment Manager (i) considers and manages sustainability risks and opportunities for the Fund (ii) considers and manages the principal adverse impacts ("PAIs"), (iii) mitigates the impact of PAIs by implementing the Investment Manager's ESG Policy (which applies to the Fund), (iv) assesses investments through rating criteria aimed at capturing the impact intent, contribution and measurement framework for investments, and (v) assesses alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (the "Minimum Safeguards"). In addition, the Fund's investee companies (and key service providers, where the Investment Manager has sufficient control or influence and to the extent relevant) are expected to follow good governance practices, which are assessed and monitored by the Investment Manager on an ongoing basis. In respect of the Listed Equities, the Sub-Investment Manager considers the PAIs by setting explicit investment thresholds, maintaining active ownership and improving PAI data coverage.

There are a several binding elements of the investment strategy implemented in the investment process on a continuous basis to attain the sustainable investment objective including: (a) investing only as permitted by the investment strategy; (b) applying investment exclusions; (c) do no significant harm assessment; (d) good governance assessment; (e) Taxonomy-alignment assessment; and (f) engagement.

The Investment Manager and Sub-Investment Manager are responsible for determining whether an Unlisted Investment or an investment in Listed Equities respectively, meet the criteria of a sustainable investment.

For the Unlisted Investments

The Investment Manager uses the following sustainability indicators to monitor attainment of the sustainable investment objective of the Unlisted Investments within the Fund:

Renewable energy generated (GWh)

GHG emissions (Scope 1, Scope 2, Scope 3) (tonnes of $CO_2e$)

Carbon avoided (tonnes $CO_2$)

Equivalent number of homes powered or heated

The third party operations and maintenance ("O&M") service providers used by the Fund, in relation to its Unlisted Investments or its Special Purpose Vehicles ("SPVs") report on a regular basis to the Investment Manager on a standard set of Key Performance Indicators ("KPIs") and qualitative factors, such as health and safety compliance with relevant laws and regulations, local community engagement and habitat management, where relevant. Such KPIs are disclosed annually in the Fund's ESG report.

KPI data is sourced directly from the SPVs and supplemented by specialist external advisers such as environmental consultants, as required.

Carbon footprint indicators are measured in line with the industry standard GHG Protocol based on an equity control approach, meaning emissions from the Fund's operations are weighted according to the ownership interest of the Fund or its investments. Carbon savings and carbon equivalent metrics are measured by applying conversion factors taken from DEFRA, OFGEM, or other relevant agencies in relation to a particular geography, to the renewable energy generated figure. The sustainability indicators are subject to an annual review to ensure that the Investment Manager continues to improve transparency on ESG matters.

In some instances, the Investment Manager may need to use estimates or proxy data. Where estimated data is used, it will typically represent the minority of data used and will be based upon reasonable assumptions and appropriate comparators. The Investment Manager will act reasonably in using estimated or proxy data. As the use of such data will vary on a case-by case basis, it is not possible to provide a proportion of estimated data.

As part of the investment due diligence process, the Investment Manager typically appoints professional third parties to review a range of issues, including ESG considerations. The Investment Manager is committed to engaging with all stakeholders relevant to the Unlisted Investments to ensure such energy transition-aligned (including renewable) infrastructure investments positively impact the communities in which they operate.

For the Listed Equities:

For the Listed Equities, a sustainable investment is an investment in a business which demonstrates a minimum of 50% net revenue alignment with one or more of the UN SDGs. In addition, the Sub-Investment Manager will only invest via Listed Equities in businesses which are listed in OECD countries. Other selection criteria may include (but are not limited to):

securities that have a low beta relative to the MSCI World index; and

securities that are highly liquid, with a high proportion of the portfolio able to be redeemed in less than three days.

More information relating to the sustainable investment objective of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

## Specific Risk Considerations

Since the Fund will invest in private equity Shareholders should be aware of the associated risks and special factors of this asset class which are not related to investments in traditional listed instruments.

Notwithstanding the risks of investment set out in Appendix II, attention is drawn to the following specific risks:

**Renewable energy market legal, regulatory and policy risks**

The renewable energy sector is highly regulated and depends on political and governmental support. Participants in the sector are subject to significant regulation of nearly every aspect of their operations, including regulation of the construction, maintenance, and operation and decommissioning of facilities, environmental regulation, safety regulation, labour regulation, trade regulation and the regulation of the terms on which they can operate and sell generation output and services. Compliance with these regulations is enforced by numerous governmental agencies and authorities through administrative, civil and criminal penalties. Unanticipated or retrospective changes to the applicable legal, regulatory and policy framework or the support provided, for whatever reason, could have a material adverse effect on the operations and financial performance of the Fund and its investments.

Further, most renewable infrastructure assets rely on support from a scheme overseen or paid for by the government. Given the sustained fall in the cost of renewable power generation equipment, governments have generally revised their regulations supporting the renewable energy sector from time to time in order to reduce the benefits available to new renewable power generation projects. However, in order to maintain investor confidence, most regimes have a grandfathering principle which ensures that the benefits already granted to operating projects are exempted from future government or regulatory change for the life of the project.

Any concessions granted to an infrastructure asset by a governmental agency will be subject to special risks, including the risk that a governmental entity will exercise sovereign rights and take actions contrary to the rights of the Fund or its investments, under the relevant concession agreement. There can be no assurance that the governmental agency will not legislate, impose regulations or change applicable laws or regulations or act contrary to the law in a way that would materially and adversely affect the business of the Fund's investments.

Extreme market volatility may lead to extensive and unprecedented governmental intervention in financial or energy markets. Such intervention may be implemented on an emergency basis, introducing new regulation or taxation which may be unclear in scope, application and duration. It is impossible to predict the impact of any such intervention and/or increased regulation on the fulfilment of the investment strategy.

### Risk of reduced generation output

The business model of many of the Fund's investments is dependent on the level of energy (electricity or heat) generated, stored or otherwise. There is a risk that the level of output is not to the level expected and this can lead to losses. Reasons for less output being produced than expected include (but are not limited to):

- Issues around permitting or construction of an asset, meaning that the investment never produces the expected amount of (or in some cases any) output
- Meteorological conditions (such as less wind speed or solar irradiance) that are below expectations, or issues with the supply and pricing of feedstock for fuelled renewable power plants
- The technical design, asset life and lifecycle costs of the technology utilised might not be up to expectations, and may lead to reduced availability, operating performance or price volatility, or the operations and maintenance of an asset might not be sufficient to ensure the on-going expected generation
- Issues resulting from an inability of the network and/or grid to receive generated electricity, including network curtailment and constraints
- Closure or reduction in output of plants due to policy changes driven by changes in public attitude and/or sector specific legal and regulatory controls
- Disruption in the production of electricity driven by theft, trespass, cyber-attack or other invasive action, as well as other property related risks associated with legal rights over the sites on which the Fund's investments are or will be located.

On an asset by asset level this could be detrimental to returns, but this can be mitigated through a portfolio of investments.

### Risk of reduced economic profitability from selling electricity and/or services

The business model of many of the Fund's investments is dependent on receiving revenues for selling or providing commodities (often electricity) and/or services. The price at which these commodities and/or services is set is determined by various factors, including but not limited to: government tariffs or regimes, bilateral agreements or market levels (or a combination of factors). There is a risk that the level of income received for producing these commodities and/or services is not to the level expected and this can lead to losses.

Potential reasons for reduced economic profitability from selling electricity (relative to expectation) include (but are not limited to):

- Electricity price volatility generally, particularly when renewable energy projects are acquired on a merchant basis without a subsidy, or after the relevant subsidy period has expired. Of particular relevance to renewable energy is the potential for cannibalisation, where the increasing penetration of renewables in the energy mix can be deflationary (as they have little or no marginal cost) for market power prices relative to how they are expected to perform over time.
- Retroactive changes to support schemes or levy exemptions that remove the 'grand-fathering' provisions and lead to lower (or in some cases zero) prices for either electricity and/or services produced or expected support schemes.
- Government intervention which may be extensive and suspend the operation of wholesale commodity markets and/or cap the price of certain commodities or of electricity.

### Risk of additional costs associated with the Fund's investments

Given the fixed nature of the business model of many of the Fund's investments, the ability to absorb material additional costs (over and above those budgeted and assumed by the Investment Manager) can have a material detrimental impact on the Fund's performance. Reasons for additional costs associated with the Sub-Fund's investments include (but are not limited to):

- Exposure to global or local commodity prices (including gas). The Fund may invest in assets where parts of the input costs of the products are dependent on global or local commodity or food prices, and in the event that these rise this will increase costs at the asset (to the extent these rise are not hedged).
- Renewable energy generation assets require a grid connection to the relevant network in order to export and sell electricity. Given that, usually, the generator neither owns nor controls the (transmission or distribution) networks, it has to have necessary connection agreements in place and comply with such agreements. Charges relating to the connection to and use of the networks form part of a generator's operating costs. The calculation of charges can be complex and may comprise several different elements, which could change over time. Increased costs or losses may be incurred as a result of changes in their regulation.
- Increase in expected costs such as insurance and tax (both corporation and land, where applicable)
- Increase liabilities from failure to observe best practice in such areas as environmental requirements (including managing and enhancing the natural environment) and health and safety, which if not managed could result in material financial loss (and in extremis, in the closure of the asset).
- The costs of decommissioning an asset at the end of its useful life being more than expected.

### Health and Safety

The physical location, construction, maintenance and operation of a renewable infrastructure asset pose health and safety risks to those involved. Construction and maintenance of renewable infrastructure assets may result in industrial accidents involving bodily injury, particularly if an individual were to fall from height, fall or be injured when working with equipment including but not limited to being electrocuted. In addition, third-parties and members of the public could access the sites through public rights of way, requirement to undertake work, or through trespass, with the risk of injuring themselves while there.

If an accident were to occur involving an investment, the Fund or relevant entities could be liable for damages or compensation to the extent such loss is not covered under existing insurance policies or suffer revenue losses if the renewable infrastructure asset was not permitted to operate as a result and this may also have a material adverse effect on the Fund's and the Investment Manager's reputation and, in extremis, ability to operate. Such outcomes could have a material adverse effect on the operations and financial performance of the Fund and its investments.

### Climate Risk

Climate risk can be classified into two broad categories: (i) the risks associated with the physical impacts of climate change and, (ii) the risks associated with the transition to a decarbonised economy. Physical risks may consist of acute physical risk, which can refer to event driven perils, including increased severity of extreme weather events (e.g. floods/storms) and chronic physical risk, which can refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures) that cause sea level rise, heat waves, droughts, and desertification. Infrastructure assets need to be resilient to the foreseen extreme weather events and temperatures. Transition risks encompass policy, legal, reputational, technology, and market risks associated with the shift to a decarbonised economy. These risks include the redistribution of incentives, liability for greenhouse gas emissions, and increased focus on climate risk disclosures.

Failure to adequately address climate change increases exposure to transition risks, including reputational damage. Sudden changes in climate policies, technology or market sentiment can cause economic dislocation and a reassessment of asset values. A delayed or abrupt transition to a decarbonised economy may lead to sudden asset devaluation and a rapid repricing of climate-related risks.

Changes that exceed or otherwise differ to the investment manager's expectations can have a material adverse effect on the Fund’s operations and financial performance. Failure to identify and mitigate climate risks or adapt to significant changes can also have a material adverse effect on the Fund.

### Modern slavery

Modern slavery is a risk which may be present in elements of the supply chains supporting renewable energy technologies including wind, solar and rechargeable battery production. This is due to key materials and components such as cobalt, polysilicon and copper often being used in the production of such assets, and concerns around potential forced labour in the mining and/or production process. Increased public scrutiny and growing global legislation has increased the focus on due diligence and supply chain interrogation as well as periodic reporting in certain jurisdictions. Given the anticipated complexity and geographical scope of the Fund's supply chain, there can be no assurance that the Investment Manager will adequately identify all exposures to modern slavery risks, which could adversely affect the long-term security of the supply chain and expose the Fund to reputational and regulatory risks.

### Investments in new asset classes or project stages

The Investment Manager's infrastructure investment strategies have historically focused primarily on renewable energy generating assets. As OECD countries accelerate their transition to net zero, adjacent technologies will become a key part of integrating and growing renewables into the wider energy landscape. The Fund's investment strategy will change over time by diversifying into new asset classes, including hydrogen infrastructure, electric vehicle charging, heating and other energy transition opportunities. As these adjacent technologies are emerging, the associated operational, development and performance risks are heightened. Further, the Fund may make investments into assets at different stages of their construction or development, either through direct ownership or through platform investments.

The Investment Manager has a limited track record in accessing new technologies and constructing or developing new projects, although members of its team have relevant experience from previous roles. Nevertheless, the track record of historic performance in such new asset classes or project stages is more limited and any such investment may not achieve the expected results or returns which could have a material adverse effect on the operations and financial performance of the Fund and its investments.

### Disposal of an investment

If the Fund disposes of an investment, the Fund or relevant entities may be required to make representations or give warranties about the business and financial affairs of the investment typical of those made in connection with the sale of any business. The Investment Manager may consider it prudent to set aside provisions for warranty claims or contingent liabilities in respect of such disposal. The Fund or relevant entities may be required to pay damages to a purchaser if the representations or warranties given prove to be inaccurate or if the Fund or relevant entities breach any of the covenants or obligations contained in the sale and purchase documentation. Further, the Fund or relevant entities may become involved in disputes or litigation in connection with any disposed investments. Certain obligations and liabilities associated with the ownership of investments can continue to exist notwithstanding any disposal, for example certain environmental liabilities. Any claims, litigation or continuing obligations may result in unanticipated cost and may require the Investment Manager to devote considerable time to dealing with them.

### Counterparty risk

The Fund or relevant entities will be exposed to third-party credit risk in several instances, including, without limitation, with respect to contractors who may be engaged to construct or operate assets owned by the Fund, property owners or tenants who are leasing or licensing roof or ground space to the assets, or the offtakers of energy and green benefits supplied, banks who may provide guarantees of the obligations of other parties or who may commit to provide leverage to the Fund or relevant entities at a future date, insurance companies and other third-parties who may owe sums to the Fund or relevant entities.

More generally, counterparties within the Fund's value chain may fail to perform their obligations. This may result in the need for the Investment Manager to find alternative counterparties. Counterparties within the renewable energy sector are limited so finding suitable replacements may be difficult and result in increased costs or reduced revenues to the Fund which could have a material adverse effect on the operations and financial performance of the Fund and its investments.

### Limited liquidity on redemptions

Substantial redemption requests could result in the Investment Manager determining, in its discretion, to liquidate investments more rapidly than otherwise desirable or in undesirable market conditions in order to raise the cash necessary to fund redemption requests. Investments by the Fund in unquoted companies or special purpose vehicles may be difficult to realise, and in the absence of an available market, it may not be possible to establish their current value at any particular time, or indeed to realise what the Investment Manager believes to be their full value on any disposal. Further, substantial redemption requests could materially impact the ability for the Investment Manager to pursue the Fund’s investment strategy effectively (due to, inter alia, the reduction in the Fund’s deployment capability and the requirements for the Investment Manager to respond to such redemption requests) which may have an adverse effect on those investors who choose to retain their shares.

### Market value of investments and valuation risk

Returns from the Fund's investments will depend on many factors, including the price at which they are acquired, the availability and liquidity of investment opportunities within the scope of the Fund's investment objective and policy, conditions in the European and global economies and financial markets (including interest rates), volumes of resource, asset energy generation performance, the price of electricity, gas, heat, feedstock or other relevant commodities, and the economic, legal, taxation and regulatory environment in which the assets and the Fund operate.

Investments into renewable infrastructure assets rely on detailed financial models to support valuations. There is a risk that inaccurate data, assumptions or methodologies may be used in a financial model. In such circumstances the returns generated by any investment may be different to those expected.

A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an investment depends to a great extent on economic and other conditions beyond the control of the Fund, the Management Company or the Investment Manager, and valuations do not necessarily represent the price at which an investment can be sold or that the investments of the Fund are saleable readily or otherwise.

Projections are primarily based on the Management Company’s assessment and are only estimates of future results based on assumptions made at the time of the projection. Calculations will depend on management information provided by the portfolio companies in which the Fund has invested, on financial reports prepared by the Investment Manager and information provided by third-parties (for example economic forecasters). Although the Management Company and the Investment Manager will evaluate all information and data provided to them, neither the Management Company nor the Investment Manager may be in a position to confirm the completeness, genuineness or accuracy of such information or data.

In addition, financial reports, whilst typically available on a monthly basis one month in arrears, are sometimes provided on a quarterly or half-yearly basis only. Consequently, each quarterly report on the Net Asset Value may contain valuation information that may be out of date, require updating and/or be incomplete. Therefore, the actual net asset values may be materially different from these quarterly estimates.

Valuations of investments in the portfolio may not run in parallel to evolving forecasts for future electricity or other commodity or services prices. Accordingly, there may be some variation in the net asset value from period to period, as and when a material movement from prior expectations is identified.

### Infrastructure projects’ insurance risk

Renewable energy and energy transition projects typically obtain insurance for repair costs, business interruption, and third-party liability. However, not all risks are insurable, and deductibles may apply. For instance, losses from force majeure or environmental contamination may not be available at all or on commercially reasonable terms or a dispute may arise over whether a specific event is covered by an insurance policy.

There is no guarantee that insurance will cover all losses from outages, equipment failure, repairs, environmental liabilities, or third-party legal actions. Frequent damage could lead insurers to amend or cancel policies.

If insurance premiums rise, the Fund or its investments may struggle to maintain comparable coverage or face significantly higher costs. Insurers may also require the insured to undertake risk mitigation at their own expense to qualify for coverage. Failure to secure insurance at the levels and cost anticipated by the investment manager could negatively impact the Fund's business, financial position, and operational results.

### Sustainability risk

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective 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.

Further, sustainability risks, matters, and associated impacts – such as principal adverse impacts on 'sustainability factors', defined under SFDR to mean 'environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters' – are increasingly becoming regulated and required to be the subject of due diligence, data collection and detailed disclosure. The emerging nature of these regulations, and detailed accompanying guidance, may expose the Fund to risks associated with adapting its sustainability-related policies and procedures, as well as contracting frameworks, to ensure compliance with applicable frameworks, in addition to collection, collation, assurance (where required) and disclosure of applicable data in relation to those impacts.

Please refer to Appendix II for more details on sustainability risks.

## Share Class Features

| Share Classes | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding | Initial Charge [3] |
|---|---|---|---|---|
| A | USD 10,000 | USD 5,000 | USD 10,000 | None |
| A1 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3% |
| A2 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3% |
| AX1 | USD 100,000 | USD 50,000 | USD 100,000 | None |
| C | USD 10,000 | USD 5,000 | USD 10,000 | None |
| CX | USD 100,000 | USD 50,000 | USD 100,000 | None |
| E | USD 10,000 | USD 5,000 | USD 10,000 | None |
| I | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| IE | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| IZ | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| S | USD 10,000 | USD 5,000 | USD 10,000 | None |
| X1 | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| X2 | USD 1,000,000 | USD 500,000 | USD 1,000,000 | None |
| X3-X5 | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| Y1-Y3 | USD 10,000 | USD 5,000 | USD 10,000 | None |

| Share Classes | Investment Management Fee [4] | Distribution Fee | Performance Fee | Redemption Fee |
|---|---|---|---|---|
| A | 1.50% | None | None | Up to 5% |
| A1 | Up to 1.75% | None | None | Up to 5% |
| A2 | Up to 1.50% | Up to 0.77% | None | Up to 5% |
| AX1 | 1.25% | None | None | Up to 5% |
| C | 0.75% | None | None | Up to 5% |
| CX | 0.75% | None | None | Up to 5% |
| E | 0.50% | None | None | Up to 5% |

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 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

| Share Classes | Investment Management Fee [4] | Distribution Fee | Performance Fee | Redemption Fee |
|---|---|---|---|---|
| I | 0% | None | None | Up to 5% |
| IE | 0.50% | None | None | Up to 5% |
| IZ | 0.75% | None | None | Up to 5% |
| S | Up to 1.50% | None | None | Up to 5% |
| X1 | 0.50% | None | None | Up to 5% |
| X2 | 0.65% | None | None | Up to 5% |
| X3-X5 | Up to 0.75% | None | None | Up to 5% |
| Y1-Y3 | Up to 1.50% | None | None | Up to 5% |

4 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

# Schroders Capital Semi-Liquid European Loans

## Investment Objective

The Fund aims to provide capital growth and income over five to seven years by investing in senior secured loans granted to companies domiciled, located or operating in Europe.

## Investment Policy

The Fund is actively managed and invests at least 70% of its net assets in the senior secured obligations of European borrowers in European currencies. The Fund may invest up to 20% of its net assets into companies domiciled, located or operating in North America. The Fund invests in senior secured first lien loans (including assignments and participations) granted to companies domiciled, located or operating in European countries. The Fund may also invest up to 20% of its net assets in senior secured floating and fixed rate bonds issued by companies domiciled, located or operating in countries of Europe and North America including offshore jurisdictions such as the Channel Islands, Cayman Islands and Bermuda.

The Fund may also invest up to 15% of its net assets in second lien loans, senior unsecured and subordinated loans, senior and subordinated corporate debt obligations (such as bonds, debentures, notes and commercial paper), convertible debt obligations, preferred stock and repurchase agreements. The debt obligations the Fund invests in are expected to be rated sub-investment grade (investment below BBB- by Standard & Poor's ("S&P") or below Baa3 by Moody's Investors Services, Inc. ("Moody's").

The Fund will not invest more than 5% of its total net assets in any single name obligor as measured at the time of investment.

On an ancillary basis, the Fund may also hold and invest in equity or equity related securities.

The Fund may invest in money market instruments, money market funds and, in normal market conditions, may hold up to 15% of its net assets in cash.

The Fund may invest up to 15% of its assets in mortgage-backed, asset-backed securities and collateralised loan obligations.

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund will hedge non-Euro denominated currency exposure back to Euros.

The Fund may engage in repurchase and reverse repurchase agreements. In particular, repurchase and reverse repurchase agreements will be used to fund working capital requirements created by settlement differences between asset class types in the Fund. The gross exposure of repurchase and reverse repurchase agreements will not exceed 15% and is expected to remain within the range of 0% to 15% of the Net Asset Value. In certain circumstances this proportion may be higher. The assets which may be subject to right of repurchase and repurchase agreements will conform to the Fund's investment policy.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary sustainability assessment. The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's proprietary rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosures" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3. "Restrictions on Subscriptions and Switches into certain Funds or Classes".

**The investment restrictions mentioned above (in relation to investment concentration) will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first four weeks after the Fund's Launch Date. The Ramp-Up Period can be shortened at the discretion of the Board of Directors. The Fund may therefore, during its Ramp-up Period, be subject to concentration risk in the underlying investments.**

### Circumstances in which the Fund may use Leverage and Types and Sources of Leverage permitted

The Fund may engage in borrowing of up to 20% of Net Asset Value for efficient portfolio management purposes such as but not limited to: facilitate redemption payments, distribution payments or to meet the margin requirements associated with currency hedging transactions. The Fund will not otherwise engage in borrowing or leverage.

## Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against its comparator benchmark, being the Credit Suisse Institutional Western European Leveraged Loan Index Non-US$ Denominated Loans. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

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. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

### Maximum Level of Leverage

| Exposure Calculation Methodology | Leverage Ratio |
|---|---|
| 'Gross leverage ratio' | 450% |
| 'Commitment leverage ratio' | 150% |

## Fund Characteristics

| | |
|---|---|
| Fund Currency | EUR |
| Investment Manager | Schroder Investment Management Limited |
| Dealing Frequency | In normal circumstances the Fund's Dealing Frequency and Cut-Off time, as set out below, will apply.<br><br>However, in exceptional circumstances and not on a systematic basis, (if this is in the Fund's best interest and the best interest of the Fund's Shareholders, such as when redemptions of Shares would place an undue burden on the Fund's liquidity, adversely affect the Fund's operations, risk having an adverse impact on the Fund that would outweigh the benefit of redemptions of Shares or as a result of legal or regulatory changes) the Directors may decide at their discretion not to accept redemptions and/or subscriptions for a period of up to 12 months, if deemed in the interest of existing Shareholders. In any case, no issue or redemption of Shares will take place during any period when the calculation of the Net Asset Value per Share is suspended as defined in Section 2.7 "Suspensions or Deferrals" above.<br><br>In the event that the calculation of the Net Asset Value per Share has been suspended for 12 months, the Directors may decide to introduce additional measures to deal with extraordinary circumstances (for example, periods of extraordinary market and economic circumstances) or circumstances which in the reasonable opinion of the Directors warrant application of the Special Dealing Procedure (as defined in Section 2.6 "Special Dealing Procedure") in the interest of existing Shareholders. Such measures shall be of a temporary nature only and are expected to be lifted once these circumstances have normalised or where the application of the Special Dealing Procedure is in the reasonable opinion of the Directors no longer required.<br><br>Shareholders will be informed in a timely manner, should the Directors decide to make use of the Special Dealing Procedure. Any Shareholder who has submitted a request for redemption of Shares prior to such announcement may withdraw their request. If the redemption request is not withdrawn, the redemption will be deferred to the first Valuation Day following the termination of the suspension of the Net Asset Value calculation or to the Special Redemption Day at the Secondary Value Dealing Price (as defined in Section 2.6 "Special Dealing Procedure"), as the case may be.<br><br>Notice of the suspension will be published as required by Luxembourg law and regulations. |
| Dealing Day/Dealing Frequency | Daily subscriptions<br><br>Daily redemptions (with 28 calendar day notice period, as noted under "Dealing Cut-off time" below) |
| Dealing Cut-off time | For subscriptions:<br>13:00 Luxembourg time 1 Business Day preceding a Dealing Day<br><br>For redemptions:<br>13:00 Luxembourg time 28 calendar days preceding a Dealing Day |
| Calculation Day | Each Business Day. The Net Asset Value is calculated for the previous Business Day. |
| Availability of Net Asset Value per Share | The Net Asset Value per Share will be available on each Calculation Day.<br><br>For the purpose of the calculation of the Net Asset Value per Share, the Company will utilise the latest available information, which frequently will not coincide with a Dealing Day, and may likely differ with information subsequently received for the preparation of the Company's financial statements. The Company will not retrospectively adjust Net Asset Values published at a Dealing Day as a consequence of subsequently issued audited financial statements. |
| Settlement Period of Subscription and Redemption Proceeds [1] | For subscriptions: within 3 Business Days from the relevant Dealing Day<br><br>For redemptions: within 9 Business Days from the Calculation Day |
| Redemptions | The net redemptions on any one Dealing Day will be limited to 10% of the Fund's Net Asset Value as at the relevant Calculation Day. If redemptions are above 10% on any Dealing Day, these will be processed on prorate basis. Investors will be informed of any redemption amount not processed on the relevant settlement date. Any redemption amount not processed on any Dealing Day will be deferred until the next Dealing Day unless cancelled by the Investor. No interest will be paid on any payments received in relation to applications being deferred in accordance with this clause. The 10% limit above may be rounded down to the nearest percent at the Management Company's discretion. The Management Company may also waive or increase the 10% limit for net redemptions on a given Dealing Day if it determines that there is sufficient available liquidity. |
| Profile of the Typical Investor | The Fund may be suitable for Investors with a longer-term investment horizon and who are more concerned with long-term returns than short-term losses. The Investor has a risk tolerance and assets high enough to absorb potential losses associated with investing in leveraged loans. The Fund is intended for Professional Investors. The Fund is not intended for retail Investors other than those who are advised by a professional investment adviser or who are sophisticated Investors.<br><br>A sophisticated Investor means an Investor who: |

1 Different subscription and redemption procedures may apply if applications are made through Distributors.

| | |
|---|---|
| | a) understands the Fund's strategy, characteristics and risks in order to make an informed investment decision; and<br><br>b) understands the liquidity profile of this Fund and understands and is comfortable with the potential for periods of illiquidity |
| Performance Fee | None |
| Sustainability Criteria | The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.<br><br>The Investment Manager screens issuers against a proprietary ESG scorecard. The proprietary ESG scorecard uses a two dimensional rating methodology that rates each issuer on quality (from A being highest, to F being lowest), and on a forward looking directional basis (either Improving, Stable or Deteriorating). This methodology is used to assess the sustainability credentials of new investments and issuers as part of pre-investment / pre-acquisition due diligence. Subsequently, the Investment Manager aims to monitor and report performance against the sustainability criteria at regular intervals in order to demonstrate adherence to the sustainability commitment of the Fund through time and progress made as part of Schroders' active investment approach. Example of metrics scored include, but are not limited to, physical climate risk, energy consumption and renewable energy.<br><br>At least 70% of the Fund's total investments measured by Net Asset Value must achieve a quality score of A-C (out of A-F) as rated by the credit analysts. The remaining investments can have a quality rating of D, and a stable or improving rating on a forward looking directional basis.<br><br>The Fund will be able to hold D-declining obligations (in the event of a downgrade from D-stable and above) for 12-months subject to engagement. The Investment Manager will engage with the sustainability team to investigate and understand the nature of the downgrade and the forward looking trajectory of the company, taking a view on whether there can be an improvement. If no improvement can be seen, the Investment Manager will sell the obligation within this horizon, when market conditions allow for it.<br><br>The Investment Manager may also engage with issuers 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.<br><br>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.<br><br>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 are available on the website https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.<br><br>The Sub-Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR).<br><br>More information relating to the environmental and social characteristics of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288. |

Please note that the above-mentioned dealing cut-off time for redemptions and early redemption fee will not be applicable to seed capital provided by the Schroder Group.

## Specific Risk Considerations

Since the Fund will invest in loans, Shareholders should be aware of the associated risks and special factors of this asset class which are not related to investments in traditional listed instruments.

Notwithstanding the risks of investment set out in Appendix II, attention is drawn to the following specific risks:

### Loan-specific risk

Loan obligations are subject to unique risks, including the possible invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Further, where exposure to loans is gained by purchase of Participations there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever reason to account to a Fund for monies received in respect of loans directly held by it. In analysing each loan or Participation, the Investment Managers will compare the relative significance of the risks against the expected benefits of the investment.

### Risks of Investing in Loans

Leveraged loans, mezzanine loans and unitranche debt are largely floating rate instruments and therefore the interest rate risk is minimal. However, from the perspective of the borrower, an increase in interest rates may affect the borrower's financial condition. Due to the unique and customised nature of agreements evidencing this type of loan and the private syndication thereof, the loans are not as easily purchased or sold as publicly traded securities. Although the range of investors in loans has broadened in recent years, there can be no assurance that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. In addition, the terms of the loans may restrict their transferability without borrower consent. These factors may have an adverse effect on the market price and the Fund's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for the Fund to obtain precise valuations of the high yield loans in its portfolio.

### Participations

A Fund may invest directly or indirectly in loans by purchasing participations or sub-participations ("Participations") from certain financial institutions which will represent the right to receive a portion of the principal of, and all of the interest relating to such portion of, the applicable loan. In purchasing Participations, the Fund will usually have a contractual relationship only with the selling institution, and not the borrower. When investing in Participations, the Fund generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, no rights of set-off against the borrower, and no right to object to certain changes to the loan agreement agreed to by the selling institution. In addition, the Fund may not directly benefit from the collateral supporting the related loan, may be subject to any rights of set-off the borrower has against the selling institution and will generally be subject to the credit risk of the selling institution.

### Reliance on loan obligor

The Company and the Investment Managers do not intend to have control over the activities of any company which has entered into a loan invested in by a Fund. Managers of companies in whose loans a Fund has invested may manage those companies in a manner not anticipated by the Company or the Investment Managers.

### Redemption requests

Investments in loans can be difficult to sell quickly, which may affect the value of the Fund and its ability to meet redemption requests upon demand.

### Liquidity risk

Loan investments may be illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities). Loan obligations or other financial assets that the Fund may invest into may be difficult to sell. The eventual liquidity of all investments will depend on the success of any realisation strategy proposed. Such strategies could be adversely affected by a variety of factors. There is a risk that the Fund may be unable to realise its investment objectives by sale or other disposal at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on disposals. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposal of an investment. It may be difficult to dispose of investments made in unlisted companies. The timing and profitability of the exit strategy for direct investments can be negatively affected by external economic factors beyond the control of the Fund. There is no established market for secondary investments and although there has been an increasing volume of secondary investment opportunities in recent years, no liquid market has developed nor is one expected to develop.

### Valuation risk

It may be difficult to find appropriate pricing references in respect of unlisted investments. This difficulty may have an impact on the valuation of the portfolio of investments. Certain investments are valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities.

### Sustainability risk

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.

## Share Class Features

| Share Classes | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding | Initial Charge [2] |
|---|---|---|---|---|
| A | EUR 10,000 | EUR 5,000 | EUR 10,000 | Up to 3% |
| A1 | EUR 10,000 | EUR 5,000 | EUR 10,000 | Up to 2% |
| C | EUR 10,000 | EUR 5,000 | EUR 10,000 | None |
| E | EUR 10,000 | EUR 5,000 | EUR 10,000 | None |
| I | EUR 5,000,000 | EUR 2,500,000 | EUR 5,000,000 | None |
| IE | EUR 5,000,000 | EUR 2,500,000 | EUR 5,000,000 | None |
| IZ | EUR 100,000,000 | EUR 2,500,000 | EUR 100,000,000 | None |

2 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.

| Share Classes | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding | Initial Charge [2] |
|---|---|---|---|---|
| X1-X5 | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| Y1-Y5 | USD 10,000 | USD 5,000 | USD 10,000 | None |

| Share Classes | Investment Management Fee [3] | Distribution Fee | Performance Fee | Redemption Fee |
|---|---|---|---|---|
| A | 1.20% | None | None | None |
| A1 | 1.20% | Up to 0.55% | None | None |
| C | 0.60% | None | None | None |
| E | 0.30% | None | None | None |
| I | 0.00% | None | None | None |
| IE | 0.30% | None | None | None |
| IZ | 0.60% | None | None | None |
| X1-X5 | Up to 0.60% | None | None | Up to 5% |
| Y1-Y5 | Up to 1.20% | None | None | Up to 5% |

2 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.

3 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

# Schroders Capital Semi-Liquid Global Innovation Private Plus

## Investment Objective

The Fund aims to provide capital growth over five to seven years by investing in a diversified range of private and public equity investments worldwide with a focus on innovation.

## Investment Policy

The Fund will invest directly and indirectly in the equity interests of companies that are not listed on stock exchanges ("Private Equity") and in public equities or equity related securities (including but not limited to open-ended Investment Funds) worldwide, including in emerging markets. The Fund will invest in companies that are financing technology and business model innovation primarily in the technology and healthcare sectors, as well as in technology enabled businesses in other sectors.

The Fund may invest up to 100% in Private Equity. The Fund may invest up to 50% in public equities or equity related securities under normal circumstances.

Private equity strategies (the "Strategies") are linked to the financial stage of the underlying interests. These Strategies include providing seed capital to companies at an early stage ("Venture Capital") or providing follow-on or expansion financing to companies in their development stage ("Growth Capital").

The Fund may access investment opportunities directly or indirectly within the Strategies through primary and secondary investments in private equity funds and direct investments or co-investments. Primary fund investments entail investing in private equity funds during their initial fundraising ("Primary Investment") which in turn invest in privately held companies or make private investments in public companies, potentially in order to take them private. Secondary fund investments entail acquiring existing fund investments from other private equity investors who wish to exit their investment before the end of its life ("Secondary Investment"). Direct private equity investment or co-investments relate to holdings in unlisted equities of companies, whether directly or through a special purpose vehicle, typically alongside a general partner.

The Fund may invest in money market instruments, money market funds and hold cash and may exceptionally hold up to 100% in such assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3. "Restrictions on Subscriptions and Switches into certain Funds or Classes".

## Further Information regarding Investment Restrictions

The Fund may invest up to 100% of its total net assets in unlisted securities. However, except for investment in open-ended Investment Funds, no more than 10% of its total net assets may be invested in any single company as measured at the time of investment.

The Fund will not invest more than 30% of its total net assets in funds or companies managed by any single general partner.

The Fund may invest up to 30% in a single open-ended Investment Fund.

The investment restrictions mentioned above will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first 24 months after the Fund's Launch Date. The Ramp-Up Period can be shortened by the decision of the Board of Directors at its own discretion. Thus, the Fund may during its Ramp-up Period be subject to concentration risk in the underlying investments.

### Circumstances in which the Fund may use Leverage and Types and Sources of Leverage permitted

The Fund is expected to have access to a credit facility of up to 30% of Net Asset Value to help the Fund manage through periods of intense market stress where distributions from the underlying companies in the investment portfolio reduce to a level at which the Fund cannot meet the capital calls on commitments from the underlying portfolio. The credit facility would be used to avoid the Fund from having to make forced asset sales to meet these capital calls. The assets of the Fund may be used as collateral in connection with the credit facility. The credit facility will incur customary commitment fees and additional charges on any amounts drawn down.

### Maximum Level of Leverage

| Exposure Calculation Methodology | Leverage Ratio |
|---|---|
| 'Gross leverage ratio' | 130% |
| 'Commitment leverage ratio' | 130% |

## Fund Characteristics

| | |
|---|---|
| Fund Currency | USD |
| Investment Manager | Schroders Capital Management (Switzerland) AG |
| Dealing Frequency | In normal circumstances the Fund's Dealing Frequency and Cut-Off time, as set out below, will apply.<br><br>However, the Directors may decide at their discretion not to accept redemptions and/or subscriptions for a period of up to 12 months, if deemed in the interest of existing Shareholders. In any case, no issue or redemption of Shares will take place during any period when the calculation of the Net Asset Value per Share is suspended as defined in Section 2.7 "Suspensions or Deferrals" above. |

| | |
|---|---|
| | In the event that the calculation of the Net Asset Value per Share has been suspended for 12 months, the Directors may decide to introduce additional measures to deal with extraordinary circumstances (for example, periods of extraordinary market and economic circumstances) or circumstances which in the reasonable opinion of the Directors warrant application of the Special Dealing Procedure (as defined in Section 2.6 "Special Dealing Procedure") in the interest of existing Shareholders. Such measures shall be of a temporary nature only and are expected to be lifted once these circumstances have normalised or where the application of the Special Dealing Procedure is in the reasonable opinion of the Directors no longer required.<br><br>Shareholders will be informed in a timely manner, should the Directors decide to make use of the Special Dealing Procedure. Any Shareholder who has submitted a request for redemption of Shares prior to such announcement may withdraw their request. If the redemption request is not withdrawn, the redemption will be deferred to the first Valuation Day following the termination of the suspension of the Net Asset Value calculation or to the Special Redemption Day at the Secondary Value Dealing Price (as defined in Section 2.6 "Special Dealing Procedure"), as the case may be.<br><br>Notice of the suspension will be published as required by Luxembourg law and regulations. |
| Dealing Day | For subscriptions: Last Business Day in each calendar month<br><br>For redemptions: Last Business Day in March, June, September and December |
| Dealing Cut-off time [1] | For subscriptions:<br>13:00 Luxembourg time 5 Business Days preceding a Dealing Day<br><br>For redemptions:<br>13:00 Luxembourg time 90 calendar days preceding a Dealing Day |
| Calculation Day | The last Business Day of each calendar month. |
| Availability of Net Asset Value per Share | The Net Asset Value per Share will ordinarily be available 20 Business Days after the relevant Dealing Day.<br><br>For the purpose of the calculation of the Net Asset Value per Share, the Company will utilise the latest available information, which frequently will not coincide with a Dealing Day, and may likely differ with information subsequently received for the preparation of the Company's financial statements. The Company will not retrospectively adjust Net Asset Values published at a Dealing Day as a consequence of subsequently issued audited financial statements. |
| Settlement Period of Subscription and Redemption Proceeds [2] | For subscriptions: within 22 Business Days from the relevant Dealing Day<br><br>For redemptions: within 2 Business Days from the release of the Net Asset Value per Share |
| Redemptions | The net redemptions (redemptions received for a given quarter netted off against subscriptions received over that quarter) on any one Dealing Day will be limited to 5% of the Fund's Net Asset Value as at the relevant Calculation Day at the end of the preceding quarter. If redemptions are above 5% on any Dealing Day, these will be processed on prorate basis. Investors will be informed of any redemption amount not processed on the relevant settlement date. Any redemption amount not processed on any Dealing Day will be deferred until the next Dealing Day unless cancelled by the Investor. No interest will be paid on any payments received in relation to applications being deferred in accordance with this clause. The 5 % limit above may be rounded down to the nearest percent at the Management Company's discretion. The Management Company may also waive or increase the 5% limit for net redemptions on a given Dealing Day if it determines that there is sufficient available liquidity. |
| Profile of the Typical Investor | The Fund may be suitable for Investors with a longer term investment horizon and who are more concerned with long-term returns than short-term losses. The Investor has a risk tolerance and assets high enough to absorb potential losses associated with investing in private equity companies.<br><br>The Fund is intended for Professional Investors. The Fund is not intended for retail Investors other than those who are advised by a professional investment adviser or who are sophisticated Investors. A sophisticated Investor means an Investor who:<br>a) understands the Fund's strategy, characteristics and risks in order to make an informed investment decision; and<br>b) understands the liquidity profile of this Fund and understands and is comfortable with the potential for periods of illiquidity |
| Performance Fee | None |

## Specific Risk Considerations

Since the Fund will invest in private equity Shareholders should be aware of the associated risks and special factors of this asset class which are not related to investments in traditional listed instruments.

Notwithstanding the risks of investment set out in Appendix II, attention is drawn to the following specific risks:

1 Please note that the above-mentioned dealing cut-off time for redemptions will not be applicable to seed capital provided by the Schroder Group.
2 Different subscription and redemption procedures may apply if applications are made through Distributors.

### Risks arising from the nature of investments in Private Equity

Private equity investments typically display uncertainties which do not exist to the same extent in other investments (e.g. listed securities). Private equity investments may be in entities which have only existed for a short time, which have little business experience, whose products do not have an established market, or which are faced with restructuring etc. Any forecast of future growth in value may therefore often be encumbered with greater uncertainties than is the case with many other investments.

While private equity investments offer potentially significant capital returns, funds and companies may face business and financial uncertainties. There can be no assurance that their use of the financing will be profitable to them or to any Fund. Investing in private equity and venture capital funds and unlisted companies entails a higher risk than investing in companies listed on a recognised stock exchange or on other regulated markets. This is in particular because of the following circumstances:

The Fund may invest directly and indirectly in less established companies, which may subject it to a greater risk of loss. Such companies do not have any prior operating history. There can be no assurance that the managers of such companies will be able to meet their objectives. There can be no assurance that any such investment completed by the Fund will provide returns commensurate with the risk of investing in such companies.

The Fund's co-investments may afford it only limited rights as a shareholder and, as a result, it may be unable to protect its interests in such investments. The Company may have little or no control over the structure or features of a co-investment, and as a result, will rely on the skills and capabilities of the (third party) investment managers selecting, evaluating, structuring, negotiating and monitoring the underlying (co) direct investment. In addition, in certain private equity funds in which the Fund may invest, other investors may be able to vote to cause a liquidation of such fund at a time when the Fund would not have so voted.

Unlisted companies are often highly dependent on the skills of a small group of managers/directors. These companies often have limited resources.

An investment in the Fund should be thought of as a long-term investment.

### Investments in private equity funds and funds of private equity funds

The Fund is permitted to invest in private equity funds and fund of private equity funds established in jurisdictions where no or limited supervision is exercised on such funds by regulators. Further, the efficiency of any supervision may be affected by a lack of precision of investment and risk diversification guidelines applicable to, and the flexibility of the investment policies pursued by, such funds.

This absence of supervision at both the level of the fund of funds and the underlying funds may result in a higher risk for the Shareholders.

Shareholders in the Fund will bear indirectly the management and advisory fees charged by the investment managers of the various private equity funds, funds of private equity funds and listed private equity investments in which the Fund invests.

It is possible that, even at times when the Fund has a negative or zero performance, the Fund will, indirectly, bear performance fees levied within individual Private Equity Funds, Funds of Private Equity Funds and Listed Private Equity Investments.

### Redemption requests

Investments in private equity interests companies can be difficult to sell quickly, which may affect the value of the Fund and its ability to meet redemption requests upon demand.

### Liquidity risk

Private equity investments are often illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities).

Securities or other financial assets that the Fund may invest into may be difficult to sell. The eventual liquidity of all investments will depend on the success of any realisation strategy proposed. Such strategies could be adversely affected by a variety of factors. There is a risk that the Fund may be unable to realise its investment objectives by sale or other disposal at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on disposals. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposal of an investment.

It may be difficult to dispose of investments made in unlisted companies. A realisation of investments in unlisted companies may be achieved by way of public offerings or sales to joint venture partners, strategic partners or other investors. However, any realisation of the investment of a Fund in a company may require the agreement of other shareholders in the company, or the consent of the board of directors of the company, or the approval of the relevant authorities. The timing and profitability of the exit strategy for direct investments can be negatively affected by external economic factors beyond the control of the Fund.

There is no established market for secondary investments and although there has been an increasing volume of secondary investment opportunities in recent years, no liquid market has developed nor is one expected to develop.

### Valuation risk

It may be difficult to find appropriate pricing references in respect of unlisted investments. This difficulty may have an impact on the valuation of the portfolio of investments. Certain investments are valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities.

Investments into private equity funds and sponsor-led or third-party managed private equity direct/ co-investments are generally reliant on information supplied by the relevant fund manager or lead sponsoring private equity investor. Such information is generally not available until 60 days or more after every quarter-end and will typically only be audited on an annual basis. Therefore, the most recently provided valuation information for the purposes of calculating the Fund's monthly net asset value will typically be adjusted by the Fund pursuant to 2.4 Calculation of Net Asset Value.

The Fund will generally not be able to confirm the accuracy of the valuations provided by the relevant fund managers of such investments.

## Share Class Features

| Share Classes | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding | Initial Charge [3] |
|---|---|---|---|---|
| A | USD 10,000 | USD 5,000 | USD 10,000 | None |
| A1 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3% |
| A2 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3% |
| C | USD 10,000 | USD 5,000 | USD 10,000 | None |
| E | USD 10,000 | USD 5,000 | USD 10,000 | None |
| I | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| ID | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| IE | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| IZ | USD 100,000,000 | USD 20,000,000 | USD 100,000,000 | None |
| K1 | N/A | N/A | N/A | None |
| S | USD 10,000 | USD 5,000 | USD 10,000 | None |
| X | USD 100,000,000 | USD 2,500,000 | USD 100,000,000 | None |
| X1 | USD 100,000,000 | USD 2,500,000 | USD 100,000,000 | None |
| X2-X5 | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| Y1-Y3 | USD 10,000 | USD 5,000 | USD 10,000 | None |
| Y4 | USD 10,000 | USD 5,000 | USD 10,000 | None |

| Share Classes | Investment Management Fee [4] | Distribution Fee | Performance Fee | Participation to the Investment Manager's legal research and consultancy expenses |
|---|---|---|---|---|
| A | Up to 1.90% | None | None | Up to 15bps p.a. |
| A1 | Up to 1.90% | None | None | Up to 15bps p.a. |
| A2 | Up to 1.90% | Up to 0.55% | None | Up to 15bps p.a. |
| C | 1.45% | None | None | Up to 15bps p.a. |
| E | Up to 1.20% | None | None | Up to 15bps p.a. |
| I | 0% | None | None | Up to 15bps p.a. |
| ID | 1.20% | None | None | Up to 15bps p.a. |
| IE | Up to 1.20% | None | None | Up to 15bps p.a. |
| IZ | 1.45% | None | None | Up to 15bps p.a. |
| K1 | 1.45% | None | None | Up to 15bps p.a. |

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 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

| Share Classes | Investment Management Fee [4] | Distribution Fee | Performance Fee | Participation to the Investment Manager's legal research and consultancy expenses |
|---|---|---|---|---|
| S | 1.20% | None | None | Up to 15bps p.a. |
| X | Up to 1.20% | None | None | Up to 15bps p.a. |
| X1 | Up to 1.20% | None | None | Up to 15bps p.a. |
| X2-X5 | Up to 1.45% | None | None | Up to 15bps p.a. |
| Y1-Y3 | Up to 1.90% | None | None | Up to 15bps p.a. |
| Y4 | Up to 2.50% | None | None | Up to 15bps p.a. |

4 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

# Schroders Capital Semi-Liquid Global Private Equity

## Investment Objective

The Fund aims to provide capital growth over the medium to long term by investing in a diversified range of private equity investments worldwide.

## Investment Policy

The Fund will invest in the equity interests of companies that are not listed on stock exchanges (private equity) and that are seeking to actively build, grow or transform. The Fund aims to provide diversified exposure by allocating Fund's assets on an opportunistic basis across private equity strategies, regions, sectors and industries. On an ancillary basis, the Fund may continue to hold equity interests which have subsequently been listed on a stock exchange.

Private equity strategies (the "Strategies") are linked to the financial stage of the underlying interests. These Strategies include providing seed capital to companies at an early stage (Venture Capital); providing follow-on or expansion financing to companies in their development stage (Growth Capital); a management or leveraged buyout of a mature company (Buyout); and providing financing to a company which is undergoing a special situation such as restructuring (Special Situations).

The Fund may access investment opportunities directly or indirectly within the Strategies through primary and secondary investments in open-ended or closed-ended private equity funds and direct investments or co-investments. Primary fund investments entail investing in private equity funds during their initial fundraising ("Primary Investment") which in turn invest in privately held companies or make private investments in public companies, potentially in order to take them private. Secondary fund investments entail acquiring existing fund investments from another private equity investor who wishes to exit their investment before the end of its life ("Secondary Investment"). Direct private equity investment or co-investments relate to holdings in unlisted equities of companies, whether directly or through a special purpose vehicle, typically alongside a general partner.

The Fund may invest in money market instruments, money market funds and hold cash and may exceptionally hold up to 100% in such assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3. "Restrictions on Subscriptions and Switches into certain Funds or Classes".

## Further Information regarding Investment Restrictions

The Fund may invest up to 100% of its total net assets in unlisted securities. However, no more than 10% of its total net assets may be invested in any single company as measured at the time of investment.

The Fund will not invest more than 25% of its total net assets in funds or companies managed by any single general partner.

### Circumstances in which the Fund may use Leverage and Types and Sources of Leverage permitted

The Fund is expected to have access to a credit facility of up to 30% of Net Asset Value to help the Fund manage through periods of intense market stress where distributions from the underlying companies in the investment portfolio reduce to a level at which the Fund cannot meet the capital calls on commitments from the underlying portfolio. The credit facility would be used to avoid the Fund from having to make forced asset sales to meet these capital calls. The assets of the Fund may be used as collateral in connection with the credit facility. The credit facility will incur customary commitment fees and additional charges on any amounts drawn down.

### Maximum Level of Leverage

| Exposure Calculation Methodology | Leverage Ratio |
|---|---|
| 'Gross leverage ratio' | 130% |
| 'Commitment leverage ratio' | 130% |

## Fund Characteristics

| | |
|---|---|
| Fund Currency | USD |
| Investment Manager | Schroders Capital Management (Switzerland) AG |
| Dealing Frequency | In normal circumstances the Fund's Dealing Frequency and Cut-Off time, as set out below, will apply.<br><br>However, the Directors may decide at their discretion not to accept redemptions and/or subscriptions for a period of up to 12 months, if deemed in the interest of existing Shareholders. In any case, no issue or redemption of Shares will take place during any period when the calculation of the Net Asset Value per Share is suspended as defined in Section 2.7 "Suspensions or Deferrals" above.<br><br>In the event that the calculation of the Net Asset Value per Share has been suspended for 12 months, the Directors may decide to introduce additional measures to deal with extraordinary circumstances (for example, periods of extraordinary market and economic circumstances) or circumstances which in the reasonable opinion of the Directors warrant application of the Special Dealing Procedure (as defined in Section 2.6 "Special Dealing Procedure") in the interest of existing Shareholders. Such measures shall be of a temporary nature only and are expected to be lifted once these circumstances have normalised or where the application of the Special Dealing Procedure is in the reasonable opinion of the Directors no longer required. |

| | |
|---|---|
| | Shareholders will be informed in a timely manner, should the Directors decide to make use of the Special Dealing Procedure. Any Shareholder who has submitted a request for redemption of Shares prior to such announcement may withdraw their request. If the redemption request is not withdrawn, the redemption will be deferred to the first Valuation Day following the termination of the suspension of the Net Asset Value calculation or to the Special Redemption Day at the Secondary Value Dealing Price (as defined in Section 2.6 "Special Dealing Procedure"), as the case may be.<br><br>Notice of the suspension will be published as required by Luxembourg law and regulations. |
| Dealing Day | For subscriptions: Last Business Day in each calendar month<br><br>For redemptions: Last Business Day in March, June, September and December |
| Dealing Cut-off time | For subscriptions:<br>For IA, IB and IC shares: 13:00 Luxembourg time 5 Business Days preceding a Dealing Day<br>For all other shares: 13:00 Luxembourg time 10 Business Days preceding a Dealing Day<br><br>For redemptions:<br>For all shares: 13:00 Luxembourg time 90 calendar days preceding a Dealing Day |
| Calculation Day | The last Business Day of each calendar month. |
| Availability of Net Asset Value per Share | The Net Asset Value per Share will ordinarily be available 20 Business Days after the relevant Dealing Day.<br><br>For the purpose of the calculation of the Net Asset Value per Share, the Company will utilise the latest available information, which frequently will not coincide with a Dealing Day, and may likely differ with information subsequently received for the preparation of the Company's financial statements. The Company will not retrospectively adjust Net Asset Values published at a Dealing Day as a consequence of subsequently issued audited financial statements. |
| Settlement Period of Subscription and Redemption Proceeds [1] | For subscriptions: within 22 Business Days from the relevant Dealing Day<br><br>For redemptions: within 2 Business Days from the release of the Net Asset Value per Share |
| Redemptions | The net redemptions (redemptions received for a given quarter netted off against subscriptions received over that quarter) on any one Dealing Day will be limited to 5% of the Fund's Net Asset Value as at the relevant Calculation Day at the end of the preceding quarter. If redemptions are above 5% on any Dealing Day, these will be processed on prorate basis. Investors will be informed of any redemption amount not processed on the relevant settlement date. Any redemption amount not processed on any Dealing Day will be deferred until the next Dealing Day unless cancelled by the Investor. No interest will be paid on any payments received in relation to applications being deferred in accordance with this clause. The 5 % limit above may be rounded down to the nearest percent at the Management Company's discretion. The Management Company may also waive or increase the 5% limit for net redemptions on a given Dealing Day if it determines that there is sufficient available liquidity.<br><br>A redemption fee of up to 5%, payable to the Fund, may be applicable at the discretion of the Directors from time to time, in the event that the Fund would need to make asset sales in the secondary market at a spread to meet redemption requests, to the detriment of the remaining Shareholders. Such redemption fee will be set in consideration of such spread and Shareholders who have submitted a request for redemption of Shares will be informed in a timely manner of the applicable redemption fee. |
| Profile of the Typical Investor | The Fund may be suitable for Investors with a longer term investment horizon and who are more concerned with long-term returns than short-term losses. The Investor has a risk tolerance and assets high enough to absorb potential losses associated with investing in private equity companies.<br><br>The Fund is intended for Professional Investors. The Fund is not intended for retail Investors other than those who are advised by a professional investment adviser or who are sophisticated Investors. A sophisticated Investor means an Investor who:<br>a) understands the Fund's strategy, characteristics and risks in order to make an informed investment decision; and<br>b) understands the liquidity profile of this Fund and understands and is comfortable with the potential for periods of illiquidity |
| Performance Fee | None |

Please note that the above-mentioned dealing cut-off time for redemptions and early redemption fee will not be applicable to seed capital provided by the Schroder Group.

## Specific Risk Considerations

Since the Fund will invest in private equity Shareholders should be aware of the associated risks and special factors of this asset class which are not related to investments in traditional listed instruments.

Notwithstanding the risks of investment set out in Appendix II, attention is drawn to the following specific risks:

1 Different subscription and redemption procedures may apply if applications are made through Distributors.

### Risks arising from the nature of investments in Private Equity

Private equity investments typically display uncertainties which do not exist to the same extent in other investments (e.g. listed securities). Private equity investments may be in entities which have only existed for a short time, which have little business experience, whose products do not have an established market, or which are faced with restructuring etc. Any forecast of future growth in value may therefore often be encumbered with greater uncertainties than is the case with many other investments.

While private equity investments offer potentially significant capital returns, funds and companies may face business and financial uncertainties. There can be no assurance that their use of the financing will be profitable to them or to any Fund. Investing in private equity and venture capital funds and unlisted companies entails a higher risk than investing in companies listed on a recognised stock exchange or on other regulated markets. This is in particular because of the following circumstances:

The Fund may invest directly and indirectly in less established companies, which may subject it to a greater risk of loss. Such companies do not have any prior operating history. There can be no assurance that the managers of such companies will be able to meet their objectives. There can be no assurance that any such investment completed by the Fund will provide returns commensurate with the risk of investing in such companies.

The Fund's co-investments may afford it only limited rights as a shareholder and, as a result, it may be unable to protect its interests in such investments. The Company may have little or no control over the structure or features of a co-investment, and as a result, will rely on the skills and capabilities of the (third party) investment managers selecting, evaluating, structuring, negotiating and monitoring the underlying (co) direct investment. In addition, in certain private equity funds in which the Fund may invest, other investors may be able to vote to cause a liquidation of such fund at a time when the Fund would not have so voted.

Unlisted companies are often highly dependent on the skills of a small group of managers/directors. These companies often have limited resources.

An investment in the Fund should be thought of as a long-term investment.

### Investments in private equity funds and funds of private equity funds

The Fund is permitted to invest in private equity funds and fund of private equity funds established in jurisdictions where no or limited supervision is exercised on such funds by regulators. Further, the efficiency of any supervision may be affected by a lack of precision of investment and risk diversification guidelines applicable to, and the flexibility of the investment policies pursued by, such funds.

This absence of supervision at both the level of the fund of funds and the underlying funds may result in a higher risk for the Shareholders.

Shareholders in the Fund will bear indirectly the management and advisory fees charged by the investment managers of the various private equity funds, funds of private equity funds and listed private equity investments in which the Fund invests.

It is possible that, even at times when the Fund has a negative or zero performance, the Fund will, indirectly, bear performance fees levied within individual Private Equity Funds, Funds of Private Equity Funds and Listed Private Equity Investments.

### Redemption requests

Investments in private equity interests companies can be difficult to sell quickly, which may affect the value of the Fund and its ability to meet redemption requests upon demand.

### Liquidity risk

Private equity investments are often illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities).

Securities or other financial assets that the Fund may invest into may be difficult to sell. The eventual liquidity of all investments will depend on the success of any realisation strategy proposed. Such strategies could be adversely affected by a variety of factors. There is a risk that the Fund may be unable to realise its investment objectives by sale or other disposal at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on disposals. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposal of an investment.

It may be difficult to dispose of investments made in unlisted companies. A realisation of investments in unlisted companies may be achieved by way of public offerings or sales to joint venture partners, strategic partners or other investors. However, any realisation of the investment of a Fund in a company may require the agreement of other shareholders in the company, or the consent of the board of directors of the company, or the approval of the relevant authorities. The timing and profitability of the exit strategy for direct investments can be negatively affected by external economic factors beyond the control of the Fund.

There is no established market for secondary investments and although there has been an increasing volume of secondary investment opportunities in recent years, no liquid market has developed nor is one expected to develop.

### Valuation risk

It may be difficult to find appropriate pricing references in respect of unlisted investments. This difficulty may have an impact on the valuation of the portfolio of investments. Certain investments are valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities.

## Share Class Features

| Share Classes | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding | Initial Charge [2] | Investment Management Fee [3] |
|---|---|---|---|---|---|
| A | USD 10,000 | USD 5,000 | USD 10,000 | None | Up to 1.90% |
| A1 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3% | Up to 1.90% |
| A2 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3% | Up to 1.90% |
| C | USD 10,000 | USD 5,000 | USD 10,000 | None | 1.45% |
| E | USD 10,000 | USD 5,000 | USD 10,000 | None | 1.20% |
| I | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | 0% |
| IA | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | Up to 1.20% |
| IB | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | 0% |
| IC | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | Up to 1.20% |
| IZ | USD 100,000,000 | USD 20,000,000 | USD 100,000,000 | None | 1.45% |
| K1 | N/A | N/A | N/A | None | 1.45% |
| S | USD 10,000 | USD 5,000 | USD 10,000 | None | 1.20% |
| X | USD 100,000,000 | USD 2,500,000 | USD 100,000,000 | None | Up to 1.20% |
| X1 | USD 100,000,000 | USD 2,500,000 | USD 100,000,000 | None | Up to 1.20% |
| X2-X5 | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None | Up to 1.45% |
| Y1-Y3 | USD 10,000 | USD 5,000 | USD 10,000 | None | Up to 1.90% |
| Y4 | USD 10,000 | USD 5,000 | USD 10,000 | None | Up to 2.50% |

| Share Classes | Distribution Fee | Performance Fee | Redemption Fee | Participation to the Investment Manager's legal research and consultancy expenses |
|---|---|---|---|---|
| A | None | None | Up to 5% | Up to 15bps p.a. |
| A1 | None | None | Up to 5% | Up to 15bps p.a. |
| A2 | Up to 0.55% | None | Up to 5% | Up to 15bps p.a. |
| C | None | None | Up to 5% | Up to 15bps p.a. |
| E | None | None | Up to 5% | Up to 15bps p.a. |
| I | None | None | Up to 5% | Up to 15bps p.a. |
| IA | None | None | Up to 5% | Up to 15bps p.a. |
| IB | None | None | Up to 5% | Up to 15bps p.a. |
| IC | None | None | Up to 5% | Up to 15bps p.a. |
| IZ | None | None | Up to 5% | Up to 15bps p.a. |
| K1 | None | None | Up to 5% | Up to 15bps p.a. |
| S | None | None | Up to 5% | Up to 15bps p.a. |
| X | None | None | Up to 5% | Up to 15bps p.a. |
| X1 | None | None | Up to 5% | Up to 15bps p.a. |

2 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.
3 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

| Share Classes | Distribution Fee | Performance Fee | Redemption Fee | Participation to the Investment Manager's legal research and consultancy expenses |
|---|---|---|---|---|
| X2-X5 | None | None | Up to 5% | Up to 15bps p.a. |
| Y1-Y3 | None | None | Up to 5% | Up to 15bps p.a. |
| Y4 | None | None | Up to 5% | Up to 15bps p.a. |

# Schroders Capital Semi-Liquid Global Real Estate Total Return

## Investment Objective

The Fund aims to provide capital growth over five to seven years by investing directly or indirectly in a diversified range of private and public real estate investments worldwide.

## Investment Policy

The Fund will invest directly in private real estate equity investments where the Fund will hold full or partial interests in individual assets or portfolios accessed through special purpose vehicles, joint ventures and other holding structures. The Fund may invest indirectly through primary investments in open-ended and closed-ended funds which in turn provide private real estate exposures. The Fund may also invest in secondary fund investments, where fund investments are acquired from a private equity real estate investor who wishes to exit their investment. The Fund may also invest directly and indirectly in the equity interests of real estate companies that are not listed on stock exchanges. The Fund may also invest up to 25% directly or indirectly in equity and equity related securities of real estate companies that are listed on stock exchanges.

The Fund may invest up to 25% in real estate debt investments (including high yield securities) accessed both directly and indirectly.

The Fund invests globally and will not invest more than 35% of its assets into property assets located in a single country, excluding the USA.

The Fund will target investments located in cities that the Investment Manager believes are well-positioned to benefit from higher economic growth as a result of structural changes including but not limited to urbanisation, changes in and growth of technology, growth in transport or changing demographics.

The Investment Manager assesses the sustainability credentials of potential investments using proprietary tools.

The Fund will not directly invest in certain activities, industries or groups of issuers in excess of the thresholds listed under "Sustainability-Related Disclosures" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Fund may invest in assets that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund may invest in money market instruments, money market funds and hold cash and may exceptionally hold up to 100% in such assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3. "Restrictions on Subscriptions and Switches into certain Funds or Classes".

## Further Information regarding Investment Restrictions

The Fund may invest up to 100% of its total net assets in unlisted securities. However, except for investment in open ended Investment Funds, no more than 15% of its total net assets may be invested in any single investment as measured at the time of investment. The Fund may invest up to 50% in a single open-ended Investment Fund provided that such Investment Fund offer liquidity terms equivalent to or better than those of the Fund.

The investment restrictions mentioned above will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first 24 months after the Fund's Launch Date. The Ramp-Up Period can be shortened by the decision of the Board of Directors at its own discretion. Thus, the Fund may during its Ramp-up Period be subject to increased concentration risk in the underlying investments.

### Circumstances in which the Fund may use Leverage and Types and Sources of Leverage permitted

The use of debt financing will be limited to a 50% net loan-to-value ("LTV") level. On a look-though basis the Fund will target a moderate level of financial leverage at 30-40% on a net LTV basis (defined as all look-through exposure debt finance less cash divided by look-through gross property value, where 'look-through' refers to leverage used by underlying strategies).

### Maximum Level of Leverage

| Exposure Calculation Methodology | Leverage Ratio |
|---|---|
| 'Gross leverage ratio' | 350% |
| 'Commitment leverage ratio' | 350% |

## Fund Characteristics

| | |
|---|---|
| Fund Currency | USD |
| Investment Manager | Schroder Real Estate Investment Management Limited |
| Dealing Frequency | In normal circumstances the Fund's Dealing Frequency and Cut-Off time, as set out below, will apply.<br><br>However, the Directors may decide at their discretion not to accept redemptions and/or subscriptions for a period of up to 12 months, if deemed in the interest of existing Shareholders. In any case, no issue or redemption of Shares will take place during any period when the calculation of the Net Asset Value per Share is suspended as defined in Section 2.7 "Suspensions or Deferrals" above. |

| | |
|---|---|
| | In the event that the calculation of the Net Asset Value per Share has been suspended for 12 months, the Directors may decide to introduce additional measures to deal with extraordinary circumstances (for example, periods of extraordinary market and economic circumstances) or circumstances which in the reasonable opinion of the Directors warrant application of the Special Dealing Procedure (as defined in Section 2.6 "Special Dealing Procedure") in the interest of existing Shareholders. Such measures shall be of a temporary nature only and are expected to be lifted once these circumstances have normalised or where the application of the Special Dealing Procedure is in the reasonable opinion of the Directors no longer required.<br><br>Shareholders will be informed in a timely manner, should the Directors decide to make use of the Special Dealing Procedure. Any Shareholder who has submitted a request for redemption of Shares prior to such announcement may withdraw their request. If the redemption request is not withdrawn, the redemption will be deferred to the first Valuation Day following the termination of the suspension of the Net Asset Value calculation or to the Special Redemption Day at the Secondary Value Dealing Price (as defined in Section 2.6 "Special Dealing Procedure"), as the case may be.<br><br>Notice of the suspension will be published as required by Luxembourg law and regulations. |
| Dealing Day | For subscriptions: Last Business Day in each calendar month<br><br>For redemptions: Last Business Day in March, June, September and December |
| Dealing Cut-off time | For subscriptions:<br>13:00 Luxembourg time 5 Business Days preceding a Dealing Day<br><br>For redemptions:<br>13:00 Luxembourg time 90 calendar days preceding a Dealing Day |
| Calculation Day | The last Business Day of each calendar month. |
| Availability of Net Asset Value per Share | The Net Asset Value per Share will ordinarily be available 20 Business Days after the relevant Dealing Day.<br><br>For the purpose of the calculation of the Net Asset Value per Share, the Company will utilise the latest available information, which frequently will not coincide with a Dealing Day, and may likely differ with information subsequently received for the preparation of the Company's financial statements. The Company will not retrospectively adjust Net Asset Values published at a Dealing Day as a consequence of subsequently issued audited financial statements. |
| Adjustment to Net Asset Value to achieve equitable distribution among investors | To achieve a fair treatment for all Shareholders, the Management Company may make adjustments to the Fund's Net Asset Value to provide for certain expenses, transaction related costs and any VAT in connection with such costs and expenses, to be amortised over a five-year period (or other period deemed appropriate).<br><br>In addition, the Management Company may make further adjustments that it deems necessary to the Fund's Net Asset Value to reflect the expected manner of the disposal of underlying investments. Such adjustments may include, but may not be limited to, adjustments:<br>a) to reflect the fair value of savings of purchaser costs expected to be achieved based on the realisation of value through the sale of shares of a property owning company which are not recognised under accounting principles;<br>b) that may be necessary to include deferred tax on latent capital gains which may not be recognised under accounting principles; and<br>c) necessary to accrue for disposal costs which may not be recognised under accounting principles.<br><br>Such adjustments will be explained in the Fund's annual and semi-annual reports and a reconciliation between the net asset value calculated in accordance with Luxembourg generally accepted accounting principles and the Net Asset Value will be included in such reports. |
| Settlement Period of Subscription and Redemption Proceeds[1] | For subscriptions: within 22 Business Days from the relevant Dealing Day<br><br>For redemptions: within 2 Business Days from the release of the Net Asset Value per Share |
| Redemptions | The net redemptions (redemptions received for a given quarter netted off against subscriptions received over that quarter) on any one Dealing Day will be limited to 5% of the Fund's Net Asset Value as at the relevant Calculation Day at the end of the preceding quarter. If redemptions are above 5% on any Dealing Day, these will be processed on prorate basis. Investors will be informed of any redemption amount not processed on the relevant settlement date. Any redemption amount not processed on any Dealing Day will be deferred until the next Dealing Day unless cancelled by the Investor. No interest will be paid on any payments received in relation to applications being deferred in accordance with this clause. The 5% limit above may be rounded down to the nearest percent at the Management Company's discretion. The Management Company may also waive or increase the 5% limit for net redemptions on a given Dealing Day if it determines that there is sufficient available liquidity. |

1 Different subscription and redemption procedures may apply if applications are made through Distributors.

| | |
|---|---|
| | A redemption fee of up to 5%, payable to the Fund, may be applicable at the discretion of the Directors from time to time, in the event that the Fund would need to make asset sales in the secondary market at a spread to meet redemption requests, to the detriment of the remaining Shareholders. Such redemption fee will be set in consideration of such spread and Shareholders who have submitted a request for redemption of Shares will be informed in a timely manner of the applicable redemption fee. |
| Profile of the Typical Investor | The Fund may be suitable for Investors with a longer-term investment horizon and who are more concerned with long-term returns than short-term losses. The Investor has a risk tolerance and assets high enough to absorb potential losses associated with investing in real estate. The Fund is intended for Professional Investors. The Fund is not intended for retail Investors other than those who are advised by a professional investment adviser or who are sophisticated Investors.<br><br>A sophisticated Investor means an Investor who:<br>a) understands the Fund's strategy, characteristics and risks in order to make an informed investment decision; and<br>b) understands the liquidity profile of this Fund and understands and is comfortable with the potential for periods of illiquidity |
| Performance Fee | None |
| Sustainability Criteria | The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The strategy aims to identify underlying investments demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society.<br><br>This involves:<br><br>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.<br><br>The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories, and investments demonstrating good governance based on the Investment Manager's sustainability rating methodology.<br><br>The Investment Manager may also engage with underlying investment managers 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.<br><br>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.<br><br>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 are available on the website https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.<br><br>The Investment Manager ensures that all Investments are screened against a proprietary ESG scorecard. The proprietary ESG scorecard is used as a screening mechanism for new investments and assets to assess their sustainability credentials as part of pre-investment/pre-acquisition due diligence. Subsequently the Investment Manager aims to monitor and report performance against the sustainability criteria at regular intervals in order to demonstrate adherence to the sustainability commitment through time and progress made as part of Schroders' active investment approach. Example of metrics scored include, but are not limited to, the profile of tenants, physical climate risk, energy consumption and renewable energy.<br><br>75% of the Fund's real estate investments, excluding cash, money-market instruments and derivatives, measured by Net Asset Value need to achieve a weighted average minimum score of 3 (out of 5). The 75% threshold reflects the Fund's strategy of diversified investing which could include value-add funds investing in improving assets, which may not meet the minimum criteria at point of investment, and that we as the Investment Manager do not have direct control or influence over the underlying asset selection. All potential investments require approval from either the Schroders Real Estate Direct or Indirect Investment Committee prior to a commitment.<br><br>More information relating to the environmental and social characteristics of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288. |

Please note that the above-mentioned dealing cut-off time for redemptions and early redemption fee will not be applicable to seed capital provided by the Schroder Group.

## Specific Risk Considerations

Since the Fund will invest in real estate Shareholders should be aware of the associated risks and special factors of this asset class which are not related to investments in traditional listed instruments.

Notwithstanding the risks of investment set out in Appendix II, attention is drawn to the following specific risks:

### Risks arising from the nature of investments in real estate

The performance of the Fund will be affected by specific property risks including, amongst other matters, changes in property market conditions leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market; the quality of property available; the ability of the Fund to maintain the recoverability of service charges and other expenditure and to control the cost of these items; the risk that one or more tenants may be unable to meet their obligations to the Fund or the Fund may not be able to lease existing or new properties on favourable terms and the potential illiquidity of property investments, particularly in times of economic downturn. The Fund may assume all property ownership rights and liabilities relating to an acquired property, including, without limitation, environmental and third-party liability risks. Despite due diligence, environmental liabilities in relation to properties within the Fund's portfolio may not be ascertained, and the Fund may therefore be exposed to clean up and other remedial costs. An investment in the Fund should be thought of as a long-term investment.

### Indirect real estate investments

The Fund may make investments through other funds, joint ventures or other entities. Such investments may involve risks not present in direct investments including, for example, the possibility that a co-venturer or partner of the Fund might become bankrupt, or may at any time have economic or business interests or goals which are inconsistent with those of the Fund, or that any such co-venturer or partner may be in a position to take action contrary to the Fund's objectives. Furthermore, if such co-venturer or partner defaults on its funding obligations, it may be difficult for the Fund to make up the shortfall from other sources. In that event, the Fund may be required to make additional contributions to replace the shortfall consequently reducing the diversification of its investments. Any default by a co-venturer or partner could have an extremely deleterious effect on the Fund, its assets and the interests of the Shareholders. In addition, the Fund may be liable for actions of its co-venturers or partners. While the Investment Manager will attempt to limit the liability of the Fund by reviewing the qualifications and previous experience of coventurers or partners, it does not expect to obtain financial information from, or to undertake private investigations with respect to, prospective co-venturers or partners.

### Leverage risk

Although the use of third-party financial leverage may enhance returns and increase the total assets that can be acquired, it may also substantially increase the risk of loss and the volatility of returns, including through being inherently more sensitive to adverse economic factors, such as a rise in interest rates, a downturn in the economy of a relevant country or territory, any deterioration in the condition of underlying real estate assets, declines in rental incomes and increases in expenses, all of which can increase or decrease the value of underlying real estate assets and consequently negatively impact equity valuations.

### Redemption requests

Investments in private real estate interests can be difficult to sell quickly, which may affect the value of the Fund and its ability to meet redemption requests upon demand.

### Liquidity risk

Real estate investments are often illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities). Securities or other financial assets that the Fund may invest into may be difficult to sell. The eventual liquidity of all investments will depend on the success of any realisation strategy proposed. Such strategies could be adversely affected by a variety of factors. There is a risk that the Fund may be unable to realise its investment objectives by sale or other disposal at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on disposals. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposal of an investment. It may be difficult to dispose of investments made in unlisted companies. The timing and profitability of the exit strategy for direct investments can be negatively affected by external economic factors beyond the control of the Fund. There is no established market for secondary investments and although there has been an increasing volume of secondary investment opportunities in recent years, no liquid market has developed nor is one expected to develop.

### Valuation risk

It may be difficult to find appropriate pricing references in respect of unlisted investments. This difficulty may have an impact on the valuation of the portfolio of investments. Certain investments are valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities. Investments into private equity funds and sponsor-led or third-party managed private equity direct/ co-investments are generally reliant on information supplied by the relevant fund manager or lead sponsoring private equity investor. Such information is generally not available until 60 days or more after every quarter-end and will typically only be audited on an annual basis. Therefore, the most recently provided valuation information for the purposes of calculating the Fund’s monthly net asset value will typically be adjusted by the Fund pursuant to 2.4 Calculation of Net Asset Value. The Fund will generally not be able to confirm the accuracy of the valuations provided by the relevant fund managers of such investments.

### Sustainability risk

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.

## Share Class Features

| Share Classes | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding | Initial Charge [2] |
|---|---|---|---|---|
| A | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3.00% |
| A1 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3.00% |
| A2 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3.00% |
| A3 | USD 10,000 | USD 5,000 | USD 10,000 | Up to 3.00% |
| C | USD 10,000 | USD 5,000 | USD 10,000 | None |
| E | USD 10,000 | USD 5,000 | USD 10,000 | None |
| I | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| IE | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| IZ | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| S | USD 10,000 | USD 5,000 | USD 10,000 | None |
| X1-X3 | USD 5,000,000 | USD 2,500,000 | USD 5,000,000 | None |
| Y1-Y3 | USD 10,000 | USD 5,000 | USD 10,000 | None |

| Share Classes | Investment Management Fee [3] | Distribution Fee | Performance Fee | Redemption Fee |
|---|---|---|---|---|
| A | Up to 1.50% | None | None | Up to 5.00% |
| A1 | Up to 1.75% | None | None | Up to 5.00% |
| A2 | Up to 1.50% | Up to 0.77% | None | Up to 5.00% |
| A3 | Up to 1.60% | None | None | Up to 5.00% |
| C | 0.75% | None | None | Up to 5.00% |
| E | 0.65% | None | None | Up to 5.00% |
| I | 0.00% | None | None | Up to 5.00% |
| IE | Up to 0.65% | None | None | Up to 5.00% |
| IZ | 0.75% | None | None | Up to 5.00% |
| S | 0.65% | None | None | Up to 5.00% |
| X1-X3 | Up to 0.75% | None | None | Up to 5.00% |
| Y1-Y3 | Up to 1.50% | None | None | Up to 5.00% |

2 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.
3 Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

# Appendix IV

## 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.

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Product name:** **Schroders Capital Semi-Liquid Circular Economy Private Plus**

**Legal entity identifier:** **549300I1V8HL7N5U2S91**

# Sustainable investment objective

**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 include 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: 75.00%** | ☐ 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 __**%** 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 is the sustainable investment objective of this financial product?

The Fund aims to invest in a diversified range of predominantly private and some public companies worldwide whose activities the Investment Manager considers contribute to the transition to a circular economy – and which the Investment Manager deems to be sustainable investments.

A circular economy is a system that has the environmental aim of keeping products and materials in use, designing out waste and pollution, and regenerating natural systems. The Fund strives to identify investments that can support five main sub-themes of the circular economy including circular supply chain, recovery, and recycling, sharing platforms and products as a service, product life extension, and technology enablers.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution to the transition to a circular economy and the UN SDGs alongside the Investment Manager's assessment of the company via its proprietary impact scorecard, the methodology for which is described further below.

The Fund may also invest up to 50% of its allocated capital [1] listed equities, in listed equities, held for the positive impact as well as for liquidity purposes, which Schroder Investment Management Limited ("the Sub-Investment Manager") deems to be sustainable investments.

The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash, money market instruments and derivatives for cash management purposes / with the aim of reducing risk (hedging) or managing the Fund more efficiently).

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

The Fund will also exclude companies based on criteria that fundamentally conflict with Schroders Capital's Sustainability principles, as further described below.

1 Allocated capital refers to capital committed to underlying investments plus cash, less fees and expenses.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### *What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?*

The Investment Manager and the Sub-Investment Manager are responsible for determining whether an investment meets the criteria of a sustainable investment. The Investment Manager and the Sub-Investment Manager use specific sustainability key performance indicators to assess the investment's contribution to an environmental or social objective (as applicable).

Both private equity investments and listed equities apply a proprietary impact scorecard to assess how companies can support the environmental objective of a transition to a circular economy and there is a detailed impact assessment of every company via the completion of the proprietary scorecard. The Investment Manager and the Sub-Investment Manager consider different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment includes tracking Key Performance Indicators ('KPIs') that are used to measure and monitor the company's impact over time via an annual review.

Once these steps have been completed, the company and scorecard are then validated and approved by Schroders' Impact Assessment Group ('IAG') for the company to be eligible for inclusion in the Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investment teams and members of the investment team.

The Investment Manager and Sub-Investment Manager assess investments that may contribute to five key sub-themes including circular supply chain, recovery and recycling, sharing platforms/products as a service, product life extension, and technology enablers. Given the diversity of investments and areas of the circular economy, the Investment Manager and Sub-Investment Manager track at least one of the following indicators within a given sub-theme of the circular economy. These include the following KPIs:

| Indicator |
|---|
| Recycled or reused materials (%, tonnes) |
| Reduction in raw material consumption (%, tonnes) |
| Reduction in energy use, energy saved (%, MWH) |
| Reduction in water use, water saved (%, m3) |
| Water recycled/reused/treated (m3, %) |
| Products or materials refurbished/repurposed (%, units, tonnes) |
| Products or materials resold/reused (%, unites, tonnes) |
| Extended product lifespan (years) |
| Renewable energy production (enabled) (MWh) |
| Renewable energy storage (enabled) (MWh) |
| Reduction in waste generation (%, tonnes) |
| Reduction in non-GHG pollutants (%, tonnes) |
| Reduction in light and noise pollution (%) |
| Carbon emissions avoided (tCO2e) |
| Carbon emissions saved (tCO2e) |
| Carbon emissions removal (enabled) (tCO2e) |
| Research & Development spending/investment (in millions of local currency, % of total spend) |
| Sustainable product produced/sold (in millions of local currency, % of total spend) |

For some investments, data may be based on proxy information in the first years to ascertain data consistency at the Fund level. For portfolio company investments held by the Fund for less than a full reporting year, the Fund will report such metrics as it can acquire depending on data availability. In the event such information is not available in time for periodic reporting, then the Fund will state this and report on a 1-year lag basis.

All indicators utilised are reviewed and assessed by Schroders' Impact Assessment Group ('IAG') to determine the eligibility of a company for inclusion in the Fund's eligible universe. In exceptional cases, the Investment Manager may choose to not select a sustainability indicator from the list above, to select a key performance indicator that better measures the impact of the sustainable investment objective for a particular investment. Schroders' Impact Assessment Group must agree in such cases.

Compliance with the minimum percentage of sustainable investments is monitored via our compliance controls. The Fund also applies certain exclusions, with which the Investment Manager and Sub-Investment Managers monitor compliance on an ongoing basis via their respective portfolio compliance framework, as overseen by the Management Company.

### *How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?*

The Investment Manager's and the Sub-Investment Manager's approach to not causing significant harm to any environmental or social sustainable investment objective includes the following for private equity investments and listed equities.

**For private equity investments:**

The Investment Manager's approach to making investments that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Exclusion criteria are applied to all potential investments. Exclusions include but are not limited to: fossil fuels, production, financing or sale of controversial weapons; products or practices that endanger wildlife or high conservation areas; child labour or forced labour.

- Use of the Do No Significant Harm ('DNSH') assessment both for direct/co-investment/GP-led secondaries as well as for any primary (fund) investments. The assessment aims to confirm the willingness and capacity, tools and processes of investments to manage and report on the Principle Adverse Indicators ('PAIs') through a series of Pass/Fail questions. This assessment is combined with third-party data to screen any related controversies. The information gathered through discussions with private equity investment partners, and where possible underlying portfolio companies, is reviewed by our in-house sustainability specialists and assessed taking a qualitative approach. The Investment Manager reviews whether a company tracks or has the intention to track all the PAIs using a materiality assessment based on the type of service or activity of that company. For specific PAIs where no data and/or management practices exist at the time of investment, and the gaps are considered non-material to the success of the business, the Investment Manager engages with the company to implement relevant business practices and processes during the holding period.

**For listed equities**

The Sub-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 Schroders 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/. Firm-wide exclusions also apply to companies generating more than 20% of their revenue from thermal coal mining.

- 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 Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/ .

**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?*

**For private equity investments:**

PAIs considered as part of pre-investment through the application of exclusions include: PAI 4 and PAI 14

- Exposure to fossil fuels and/or controversial weapons is assessed through the sourcing and prequalification stage of the investment management process. Suspicious of exposure is discussed with the Investment committee and escalated to the S&I committee in case of complex cases.

- Compliance with the exclusion thresholds is upheld through legally binding side letters and monitored through our Risk Monitoring and compliance framework

PAIs considered through integration in the investment due diligence process include: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13 and Voluntary 1 and 2.

- Data on PAIs is gathered on a best effort basis through a Do No Significant Harm Assessment assessing a company/funds' ability and willingness to manage the PAIs. Information is reported through our private equity investment partners and is reviewed by our in-house sustainability specialists.
- Information gathered through the assessment is used to form a qualitative pass/fail assessment of a company's ability to not significantly harm environmental or social sustainable investment objectives. Where potential gaps are found, next steps are established and monitored on an annual basis. This acts as a key element of our engagement strategy with private equity investment partners and portfolio companies.

PAIs not relevant for the private equity asset class include PAI 15,16, 17, 18.

**For listed equities**:

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 Sub-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 Organization 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 and Voluntary)
  - 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). Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Sub-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 Sub-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?***

For private equity investments:

Due diligence for investments in the Fund will include an assessment of alignment with OECD Guidelines for Multi-national Enterprises and UN Guiding Principles on Business and Human Rights, using internal and external tools, including, but not limited to, dedicated ESG reference calls, Reprisk [2], and World-Check [3].

Any opportunity found not to be aligned with these guidelines will be reviewed and to be approved on a case-by-case basis by the Sustainability & Impact committee.

**For listed equities**:

Companies on the 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.

## Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, For private equity investments:

The Investment Manager's approach to considering principal adverse impacts on sustainability factors and determining Pass or Fail questions differs depending on each PAI indicator. Some indicators fall within the Investment Manager's standard pre-existing exclusions, some are considered through a qualitative approach via the investment process, where data is available and further understood through engagement.

The Investment Manager reviews whether a company tracks or intends to track all the PAIs using a materiality assessment based on the type of service or activity of that company. For specific PAIs where no data and/or management practices exist at the time of investment, and the gaps are considered non-material to the success of the business nor to the initial Do No Significant Harm assessment, the Investment Manager engages with the company to implement relevant business practices and processes during the holding period.

Engagement with private equity investment partners, and where possible underlying portfolio companies, is done throughout the investment period. This includes the pre-investment selection and due diligence state where expectations and any further action plans can be defined. A key element of the Investment manager's engagement includes supporting private equity investment partners on establishing robust ESG policies and practices, and ensuring they can report on key indicators including the PAIs. The Investment Manager plans to engage with underlying investments through the engagement approach detailed in the Schroders Capital Engagement Blueprint accessed via: schroders-capital-private-markets-engagement-blueprint.pdf

PAIs considered as part of pre-investment through the application of exclusions include: PAI 4 and PAI 14

- Exposure to fossil fuels and/or controversial weapons is assessed through the sourcing and prequalification stage of the investment management process. Suspicious of exposure is discussed with the Investment committee and escalated to the S&I committee in case of complex cases.
- Compliance with the exclusion thresholds is upheld through legally binding side letters and monitored through the Investment Manager's Risk Monitoring and compliance framework

PAIs considered through a qualitative approach in the investment due diligence process include: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13 and Voluntary 1 and 2.

- Data on PAIs is gathered on a best effort basis through a Do No Significant Harm Assessment assessing a company/funds' ability and willingness to manage the PAIs. Information is reported through the Investment Manager's private equity investment partners and is reviewed by the Investment Manager's in-house sustainability specialists.
- Information gathered through the assessment is used to form a qualitative pass/fail assessment of a company's ability to not significantly harm environmental or social sustainable investment objectives. Where potential gaps are found, next steps are established and monitored on an annual basis. this acts as a key element of the Investment Manager's engagement strategy with private equity investment partners and portfolio companies.

PAIs not relevant for the private equity asset class include PAI 15,16, 17, 18.

At this stage, the approach does not include objective systematic thresholds that would define 'harm' and apply across the Investment Manager's 'Sustainable investments'; the determination of 'harm' still relies on a combination of Pass/Fail tests and a judgement call from the team. This is a known gap and, where the data is or becomes available, the plan going forward is to apply Schroders Group quantitative thresholds.

**For listed equities:**

The Sub-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.

2 RepRisk | RepRisk methodology overview
3 World-Check - KYC Screening | LSEG

I. 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 Sub-Investment Manager's portfolio compliance framework.

II. PAIs are also considered through integration in the investment process.

As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAIs are included as part of a company's overall governance and environmental score. These elements are also considered at the scorecard stage of the impact assessment process whereby an analysis of a company's environmental impact is included. These relate to both environmental PAIs 1-3, 5 and 6 (greenhouse gas emissions), 7 (Activities negatively affecting bio-diversity-sensitive areas), 8 (Emissions to water), 9 (Hazardous waste and radioactive waste ratio), social PAIs 13 (Board gender diversity) and PAI 4 from Annex 1 Table 3 (Lack of a supplier code of conduct).

III. PAIs are also considered post-investment through engagement where the Sub-Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf ), which outlines our approach to active ownership. The Sub-Investment Manager may engage with selected issuers held by the Fund on a range of topics, such as environmental issues relating to resource efficiency and carbon emissions linked to PAIs 1, 2, 3, 5, 6, 8 and 9.

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 here. 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 75% of its assets in sustainable investments, which are investments that the Investment Manager believes will contribute towards the environmental objective of the transition to a circular economy.

The Fund may invest up to 100% in global private equity strategies, and up to 50% in public equities or equity related securities under normal circumstances.

The Fund may also invest in money market instruments, money market funds and hold cash and may exceptionally hold up to 100% in such assets.

The Investment Manager understands the circular economy to be an economy that moves away from the consumption of finite resources and "take-make-waste" practices towards a system that designs out waste and pollution and keeps materials in use for as long as possible.

The transition to a circular economy requires several developments including, but not limited to:

i) Support for, and improvements in, sustainable and/or circular production

ii) Avoidance, and/or reduction, of pollution and the use of non-renewable resources

iii) Maximisation of product and/or service usage

iv) Maximisation of recovered, refurbished, remanufactured and recycled materials from waste

v) Improved economic and social empowerment through innovative technologies promoting the circular economy

vi) Encouraging and supporting the regeneration of natural capital and improving biodiversity

The investment restrictions mentioned above will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first 24 months after the Fund's Launch Date. The Ramp-Up Period can be shortened at the discretion of the Board of Directors. The Fund may therefore, during its Ramp-up Period, be subject to concentration risk in the underlying investments.

For more information on the investment policy of the Fund please refer to Appendix III – Fund Details: Schroders Capital Circular Economy Private Plus.

The Investment Manager applies sustainability and Impact criteria when selecting investments for the fund – Investments are assessed through an impact scorecard and a Sustainability/ESG assessment. All sustainable investments must also meet a reasonable level of sustainability, or ESG, performance assessed through a combination of in-house and external sustainability tools. Subject to the investment type (Primary/LP led, Direct/Co-Investments/GP-led), private equity investments are assessed through proprietary ESG scorecards aligned to industry frameworks. Investments are scored on a predefined framework awarding points for both transparency and performance.

### *What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?*

The following are binding elements of the investment strategy implemented in the investment process on a continuous basis to attain the sustainable investment objective:

a) Permitted Investments

The Fund is actively managed and invests at least 75% of its assets in sustainable investments, which are investments that the Investment Manager and Sub-Investment Manager believes will contribute towards the environmental objective of the transition to a circular economy.

The Fund invests across five key focus areas/business models which the Investment Manager see as essential in enabling the transition to a circular economy. They are as follows:

- **Circular supply chain:** focus on optimizing resource utilization, developing fully biodegradable materials from sustainable sources, developing closed-loop systems for continuous material reuse or recycling, and emphasizing sustainable sourcing through investments that enable resource efficiency such as but not limited to renewable energy, waste management solutions, traceability solutions, or that may promote responsible sourcing practices.

- Product Life Extension: Extending lifespan of products through repair and maintenance, transforming waste or used products into alternative use, creating business opportunities through repair networks, refurbishment facilities, developing second hand economy solutions and more.

- Sharing platforms and products as a service: encompasses providing products as services through subscription-based models, promoting sharing and collaborative consumption of resources and assets through sharing economy platforms

- Recovery and recycling: turning waste into valuable resources through investments in waste-to-energy technologies, waste-to-product conversion processes, and circular economy startups, creating business opportunities. Further shifting towards service-based models and transforming waste into valuable resources, businesses can align with natures regenerative principles.

- Technology enablers: companies involved in the production or provision of products/services that provide the tools for a transition to a circular economy; these companies can operate across the software, electronics, and industrial sectors but all provide necessary tools for a successful circular transition.

The Fund's ability to invest in sustainable investments with the goal of transitioning to the circular economy is assessed through the Schroders impact framework. The impact scorecard focuses on the impact that a company's products and services are expected to have. The Investment Manager and the Sub-Investment Manager consider different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment includes tracking of KPIs used to measure and monitor the company's impact over time via an annual review.

Once these steps are completed, the company and scorecard are validated and approved by Schroders' Impact Assessment Group ('IAG'), so the company can be eligible for inclusion in the Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investment teams and members from the investment team.

b) Exclusions

New investments are screened against the Fund's investment restrictions, which identify the geographies, businesses, and activities in which the Fund will not invest. For private equity investments, the Investment Manager will apply exclusion criteria or limits with the effect of avoiding investment in economic activities that the Investment Manager believes to be incompatible with the sustainable investment objective, as set out in the Private Equity Sustainability & Impact Policy.

For the Listed Equities, the Sub-Investment Manager 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, but not limited to weapons and firearms, tobacco thermal coal mining and coal fired power generation. Details of the revenue thresholds together with certain other exclusions the Fund may apply are listed under "Sustainability Information" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre/

**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 following is used to assess good governance practices of investee companies.

**For private equity investments**

In respect of the private equity strategies, the Sustainability & Impact ('S&I') due diligence and frameworks include pre-investment screens and an assessment of the good governance practices of each investment, including on factors such as a Code of Conduct and ESG incident screening.

Post-investment, material changes to these factors will be monitored, assessed and engaged with.

Good governance criteria are integrated and assessed through our proprietary ESG assessment which is part of the Investment Manager's private equity investment process applicable to the Fund. This includes the following key good governance test criteria:

- Sound Management structure and board and management governance structure
- Transparent board communication
- Code of conduct (or similar policies) including at a minimum a policy for Anti-Harassment, Bribery, Corruption, Tax Compliance
- Minimization of the risk when governance-related breaches have taken place in the past by assessment of the actions taken to correct the breach to seek to ascertain the breach will not occur in the future.

**For listed equities:**

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 Sub-Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

## What is the asset allocation and the minimum share of sustainable investments?

**Asset allocation** describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below. The Fund invests at least 75% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in private and public companies worldwide that the Investment Manager believes will contribute towards the environmental objective of the transition to a circular economy. The minimum proportion stated applies in normal market conditions.

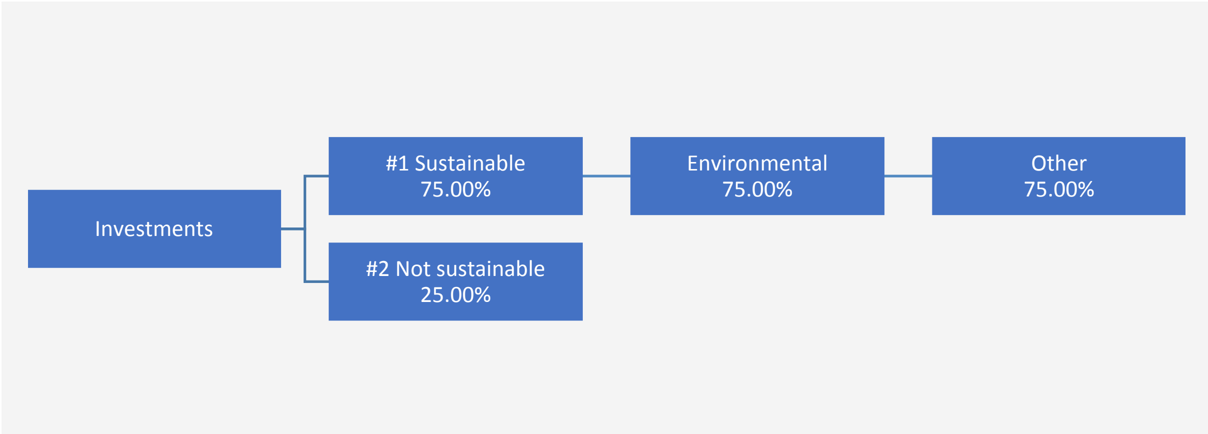
**#2 Not sustainable** includes investments that are treated as neutral for sustainability purposes, such as cash and money market instruments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied on assets treated as neutral for sustainability purposes, specifically in relation to money market instruments and derivatives used with the aim of reducing risk (hedging) 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.

The asset allocation mentioned will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first 24 months after the Fund's Launch Date. The Ramp-Up Period can be shortened at the discretion of the Board of Directors. The Fund may therefore, during its Ramp-up Period, be subject to concentration risk in the underlying investments.

The share of sustainable investments is calculated on a 3 year rolling basis as a proportion of the total Fund assets comprising the aggregated amount of capital contributions (including commitments to invest in underlying assets) to each of the Fund's investments held directly and/or indirectly (excluding those for liquidity purposes) and the portion of the Fund's assets held directly and/or indirectly for the specific purpose of liquidity management. For the avoidance of doubt, the Fund's legally binding commitments to invest in underlying assets that meet the sustainable investment objective will be considered a sustainable investment.




**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

- ***How does the use of derivatives attain the sustainable investment objective?***

This Fund does not use derivatives to attain the sustainable investment objective.

## 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 sustainable investments with an environmental objective are aligned with the Taxonomy. Consequently, taxonomy alignment of this Fund's investments has not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

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[4]?***

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

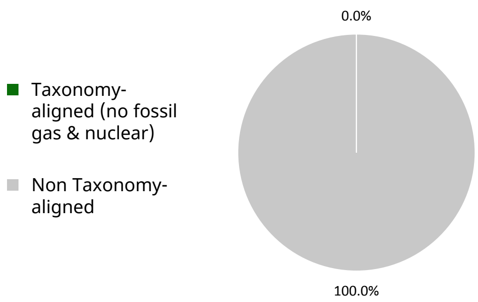
☑ No

[4] 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.

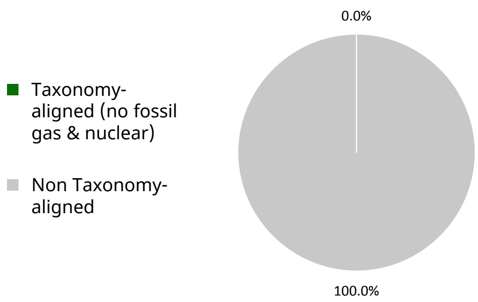
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (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.[5]

** 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 the Fund does not commit to invest any sustainability investment within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 75%, which is the same amount as the Fund's minimum share of sustainable investments.

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 sustainable investments with a social objective?

This question is not applicable for the Fund.

5 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 investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and money market instruments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied on assets treated as neutral for sustainability purposes, specifically in relation to money market instruments and derivatives used with the aim of reducing risk (hedging) 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 meet the sustainable investment objective?

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  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 website: https://www.schroders.com/en-lu/lu/individual/fund-centre

**From 01 July 2025, the Pre-contractual Disclosures will change to:**

**Product name:** Schroders Capital Semi-Liquid Global Private Equity ELTIF

**Legal entity identifier:** 549300I1V8HL7N5U2S91

# 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 include 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**

☐ It will make a minimum of **sustainable investments 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

☐ It will make a minimum of **sustainable investments with a social objective __%**

●○ ☑ **No**

☑ 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_%** of sustainable investments

- ☐ with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**

## What environmental and/or social characteristics are promoted by this financial product?

To promote environmental and/or social ('E/S') characteristics, the Fund applies an exclusion list to all of its investments and seeks investment opportunities that perform well on corporate governance, human rights, labour rights and practices, climate change (particularly GHG emissions), and diversity, equity and inclusion, as well as industry specific material ESG factors. These characteristics are assessed through proprietary ESG assessments, as well as additional due diligence checklists and ESG reporting capabilities.

All investments need to show the potential to promote environmental and/or social characteristics within the anticipated holding period (and not breach the exclusion list), and at least half (50%) of the Fund's invested capital must be invested into either:

commingled, blindpool funds that obtain a minimum score of 60 out of 100 in Schroders Capital's GP and Fund ESG Assessment.

direct/co-investments and GP-led secondary investments (related to pre-defined transactions and or assets) that obtain a minimum score of 60 out of 100 in Schroders Capital's Company ESG Assessment.

The ability of private equity fund investments to promote the Fund's E/S characteristics are assessed by reviewing those fund investments' due diligence processes and ESG methodologies for alignment to the Fund's, as well as through scoring in Schroders Capital's private equity ESG GP and Fund Assessment. This assessment evaluates the General Partner's ('GP') ESG approach (policy, governance and people training and incentivization) and their fund's ESG integration into fund governance, screening, due diligence, subscription documentation, value creation, monitoring, reporting and exit. The specific E/S characteristics of the Fund (as specified in the first paragraph) are assessed through minimum requirements for fund investments' ESG policies, due diligence approaches and topics, value creation processes, and monitoring and reporting capabilities and commitments.

The ability of direct/co-investments and GP-led secondary investments to promote the Fund's E/S characteristics is evaluated and scored through Schroders Capital's private equity Company ESG Assessment , which includes the environmental and social themes listed in the first paragraph as well as industry material ESG themes. Prior to investment, all opportunities are assessed and scored using the Company ESG assessment. Indicators within the framework cover environmental and social characteristics such as the following:

Environmental – Greenhouse Gas Emissions

Environmental – Renewable Energy

Environmental – Waste

Environmental – Water and Land

Social – Labour Relations

Social – Inequality

Social – Other: Occupational Health & Safety

Industry materiality of the above and other environmental, social and governance assessment criteria are predefined in the Company ESG Assessment methodology so that the scoring per industry is standardised. This materiality map integrates the SASB Materiality Map [6] as well as Schroders Capital's internal industry experience. The basis for materiality assessments performed by external managers of the commingled, blindpool fund investments may differ.

In addition, the Fund will invest a minimum of 10% of its Capital in sustainable investments, which are investments in businesses and activities that the Investment Manager expects to advance one or more of the United Nations Sustainable Development Goals ("SDGs", "the Goals") by contributing positively towards environmental and social development themes. The sustainable investments meet our impact investment criteria as measured by the Investment Manager's proprietary impact assessment tool called "RISE Impact". The impact assessment is used to perform due diligence, monitor, measure and annually report on a pre-defined set of impact key performance indicators ("KPIs"). This methodology aims to capture the impact intent, contribution, and measurement framework for a particular investment. It uses the Impact Management Project's (IMP) framework as a guiding principle and integrates the Operating Principles for Impact Management ("OPIM").

**Moved 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?*

To measure the attainment of each of the environmental or social characteristics promoted by the Fund, the Fund will annually report on the below sustainability indicators for each portfolio company from the first full reporting year that the company has been part of the portfolio.

The sustainability indicators:

- Absolute Scope 1 (direct) GHG emissions in metric tonnes of CO2 equivalent (tCO2e)*
- Absolute Scope 2 (indirect) GHG emissions in metric tonnes of CO2 equivalent (tCO2e)*
- Scope 1 GHG emissions intensity (tCO2e/revenue)*
- Scope 2 GHG emissions intensity (tCO2e/revenue)*
- Confirmation on the existence of a formal ESG policy or strategic commitment and action plan

* For some investments this may be based on proxy data, to ascertain data consistency at the Fund level.

The Fund will also aim to collect and report on an annual basis, from the first full reporting year that the company has been part of the portfolio, but may not be able to obtain this data on all portfolio companies promoting environmental or social characteristics on a look through basis:

- Total number of employees
- Percentage of female employees
- Percentage of women in Senior Management
- Confirmation on the existence of a formal code of conduct covering the Portfolio Company's policy for anti-harassment, -bribery, -corruption and tax compliance

Text In addition, the Fund will measure and report on impact KPIs for the sustainable investment allocation of the Fund. The impact KPIs selected for each sustainable investment will differ depending on the nature of the investment and its expected contribution towards the SDGs. These indicators will be determined pre-investment and will be tracked, reviewed and reported regularly during the holding period. Each sustainable investment must achieve a minimum score of 50/100 in respect of the combined impact KPIs as measured by the Investment Manager's proprietary RISE Impact assessment.

The impact KPIs may include but are not limited to:

- Patients treated or served
- Number of patents / drug approvals
- Number of students in vocational training
- Number of jobs created
- Cubic meters of waste water treated
- Amount of waste re-used or recycled as a percentage of total waste collected
- Megawatts (MW) of new renewable energy capacity (enabled)

6 SASB Materiality Standards assess the industry-specific sustainability-related risks and opportunities that are most likely to affect cash flows, access to finance, and cost of capital for companies. The Materiality Map is accessible here: 'Exploring materiality - SASB'

- CO2 emissions avoided
- For investments held by the Fund for less than a full reporting year, the Fund will report such metrics as it is able to acquire depending on data availability.
- In the event the most recent such data is not available in time for the Fund's annual reporting on such matters, then the Fund will state this and report on a 1-year lag basis.
- Where the sustainability characteristic cannot be assessed these Portfolio Companies will be reported in the '~2 Other' category for asset allocation purposes.

### *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 is expected to advance one or more of the SDGs by contributing positively towards environmental and social development themes. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include:

- Goal 1: To end poverty in all its forms everywhere
- Goal 2: To end hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal 3: To ensure healthy lives and promote wellbeing for all at all ages
- Goal 4: To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Goal 5: To achieve gender equality and empower all women and girls
- Goal 6: To ensure availability and sustainable management of water and sanitation for all
- Goal 7: To Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8: To promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 9: To build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
- Goal 10: To reduce income inequality within and among countries
- Goal 11: To make cities and human settlements inclusive, safe, resilient, and sustainable
- Goal 12: To ensure sustainable consumption and production patterns
- Goal 13: To take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy
- Goal 14: To conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goal 15: To protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Goal 16: To promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17: To strengthen the means of implementation and revitalize the global partnership for sustainable development

### *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 making investments that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Exclusion criteria are applied to all potential investments. Exclusions include but are not limited to: fossil fuels, production, financing or sale of controversial weapons; products or practices that endanger wildlife or high conservation areas; child labour or forced labour.

- Use of the Do No Significant Harm ('DNSH') assessment both for direct/co-investment/GP-led secondaries as well as for any primary (fund) investments. The assessment aims to confirm the willingness and capacity, tools and processes of investments to manage and report on the Principle Adverse Indicators ('PAIs') through a series of Pass/Fail questions. This assessment is combined with third-party data to screen any related controversies. The information gathered through discussions with private equity investment partners, and where possible underlying portfolio companies, is reviewed by our in-house sustainability specialists and assessed taking a qualitative approach. The Investment Manager reviews whether a company tracks or has the intention to track all the PAIs using a materiality assessment based on the type of service or activity of that company. For specific PAIs where no data and/or management practices exist at the time of investment, and the gaps are considered non-material to the success of the business, the Investment Manager engages with the company to implement relevant business practices and processes during the holding period.

**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?*

As part of the ESG- and impact-related due diligence the Investment Manager considers the relevant available principal adverse impact indicators ("PAI") to seek to ensure that the sustainable investments do not significantly harm (DNSH) any environmental or social sustainable investment objective. Wherever the Investment Manager deems possible, in the context of an incomplete and developing data landscape, the Investment Manager sets principles for what would be deemed to cause significant harm by applying appropriate values in relation to the principal adverse impacts applicable to sustainable products. Investee companies deemed to be in breach of these principles would not be eligible to be considered as a sustainable investment. Our framework is subject to ongoing review, particularly as the availability, and quality, of the data evolves.

PAIs considered as part of pre-investment through the application of exclusions include: PAI 4 and PAI 14

- Exposure to fossil fuels and/or controversial weapons is assessed through the sourcing and prequalification stage of the investment management process. Suspicion of exposure is discussed with the Investment Committee and escalated to the S&I committee in case of complex cases.
- Compliance with the exclusion thresholds is upheld through legally binding side letters and monitored through our Risk Monitoring and compliance framework

PAIs considered through integration in the investment due diligence process include: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13; additional climate and other environment-related indicators voluntary 5; and additional social and employee, respect for human rights, anti-corruption and anti-bribery matters voluntary 15.

- Data on PAIs is gathered on a best effort basis through a Do No Significant Harm Assessment assessing a company/funds' ability and willingness to manage the PAIs. Information is reported through our private equity investment partners and is reviewed by our in-house sustainability specialists.
- Information gathered through the assessment is used to form a qualitative pass/fail assessment of a company's ability to not significantly harm environmental or social sustainable investment objectives. Where potential gaps are found, next steps are established and monitored on an annual basis. This acts as a key element of our engagement strategy with private equity investment partners and portfolio companies.

PAIs not relevant for the private equity asset class include PAI 15,16, 17, 18.

### *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Due diligence for investments in the Fund will include an assessment of alignment with OECD Guidelines for Multi-national Enterprises and UN Guiding Principles on Business and Human Rights, using internal and external tools, including, but not limited to, dedicated ESG reference calls, Reprisk [7], and World-Check [8].

Any opportunity found not to be aligned with these guidelines will be reviewed and to be approved on a case-by-case basis by the Sustainability & Impact committee.

7 RepRisk | RepRisk methodology overview
8 World-Check - KYC Screening | LSEG

*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 and determining Pass or Fail questions differs depending on each PAI indicator. Some indicators fall within the Investment Manager's standard pre-existing exclusions, some are considered through a qualitative approach via the investment process, where data is available and further understood through engagement.

The Investment Manager reviews whether a company tracks or intends to track all the PAIs using a materiality assessment based on the type of service or activity of that company. For specific PAIs where no data and/or management practices exist at the time of investment, and the gaps are considered non-material to the success of the business nor to the initial Do No Significant Harm assessment, the Investment Manager engages with the company to implement relevant business practices and processes during the holding period.

Engagement with private equity investment partners, and where possible underlying portfolio companies, is done throughout the investment period. This includes the pre-investment selection and due diligence state where expectations and any further action plans can be defined. A key element of the Investment manager's engagement includes supporting private equity investment partners on establishing robust ESG policies and practices, and ensuring they can report on key indicators including the PAIs. The Investment Manager plans to engage with underlying investments through the engagement approach detailed in the Schroders Capital Engagement Blueprint accessed via: https://mybrand.schroders.com/m/67cc46846449900f/original/schroders-capital-private-markets-engagement-blueprint.pdf

PAIs considered as part of pre-investment through the application of exclusions include: PAI 4 and PAI 14

- Exposure to fossil fuels and/or controversial weapons is assessed through the sourcing and prequalification stage of the investment management process. Suspicious of exposure is discussed with the Investment committee and escalated to the S&I committee in case of complex cases.
- Compliance with the exclusion thresholds is upheld through legally binding side letters and monitored through the Investment Manager's Risk Monitoring and compliance framework
- PAIs considered through integration in the investment due diligence process include: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13; additional climate and other environment-related indicators voluntary 5; and additional social and employee, respect for human rights, anti-corruption and anti-bribery matters voluntary 15.
- Data on PAIs is gathered on a best effort basis through a Do No Significant Harm Assessment assessing a company/funds' ability and willingness to manage the PAIs. Information is reported through the Investment Manager's private equity investment partners and is reviewed by the Investment Manager's in-house sustainability specialists.
- Information gathered through the assessment is used to form a qualitative pass/fail assessment of a company's ability to not significantly harm environmental or social sustainable investment objectives. Where potential gaps are found, next steps are established and monitored on an annual basis. this acts as a key element of the Investment Manager's engagement strategy with private equity investment partners and portfolio companies.

PAIs not relevant for the private equity asset class include PAI 15,16, 17, 18.

At this stage, the approach does not include objective systematic thresholds that would define 'harm' and apply across the Investment Manager's 'Sustainable investments'; the determination of 'harm' still relies on a combination of Pass/Fail tests and a judgement call from the team. This is a known gap and, where the data is or becomes available, the plan going forward is to apply Schroders Group quantitative thresholds.

☐ No

## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such

As a first step, all potential investment opportunities will be screened against the Portfolio Manager's exclusion list (see below).

The second step differs for fund investments and direct/co-investments and GP-led secondary investments in the Fund.

**Commingled, blindpool fund investments**

| as investment objectives and risk tolerance. |
|---|

Potential investments are assessed and scored using a proprietary GP and Fund ESG Assessment methodology that covers over 400 data points with mostly single-choice closed-ended answer options, across 27 questions in 7 sections. The scoring is made up of rules-based question-level scores, that are aggregated to weights to section-level scores, a GP score (2 sections), a fund score (5 sections) and a top-level score (all 7 sections). Through these questions, the methodology evaluates the General Partner's ('GP') ESG approach (policy, governance and people training and incentivization) and their fund's ESG integration into fund governance, screening, due diligence, subscription documentation, value creation, monitoring, reporting and exit. The specific E/S characteristics of the Fund (as specified in the first paragraph of "What environmental and/or social characteristics are promoted by this financial product?") are assessed through minimum requirements for fund investments' ESG policies, due diligence approaches and topics, value creation processes, and monitoring and reporting capabilities and commitments.

The GP and Fund ESG Assessment methodology integrates dedicated assessment criteria with a focus on Climate Change and Diversity, Equity & Inclusion, inspired by leading industry frameworks such as the Taskforce Climate-related Financial Disclosures [9] ('TCFD') and ILPA Diversity in Action [10]. This assessment also integrates assessment criteria that align to other industry frameworks, primarily ILPA's ESG Due Diligence Questionnaire [11], the UN PRI's annual assessment framework [12], and the ESG Data Convergence Initiative [13].

**Direct/co-investments and GP-led secondary investments**

Potential investments are assessed and scored using the proprietary Company ESG Assessment methodology. This methodology includes 7 sustainability focus areas, as detailed in the chart below:


Source: Schroders Capital, 2024.

These focus areas are assessed though multiple industry agnostic and industry specific underlying indicators detailed in the Table below.

| Pillar | Focus area | Indicator |
|---|---|---|
| Environment | Climate change | GHG Emissions |
| | | GHG intensity |
| | | % GHG offset |
| | | Renewable energy |
| | Conservation | Environmental policy |
| | | Certifications |
| | | Biodiversity |
| | | Water usage |
| | | Hazardous materials |
| Social | Workforce & community | Job creation |
| | | Health and safety |
| | | Accidents & injuries[2] |
| | | Training programs |
| | | Product safety |
| | | Mislabelling/mis-selling |
| | D&I | % women in mgmt. |
| | | % women in workforce[2] |
| | | D&I Policy |
| Governance | Policies & practices | Code of conduct – incl. anti bribery and tax compliance |
| | | ESG policy |
| | | Policies training |
| | | Production related policies – e.g. product safety, anti-slavery |
| | | Data privacy/cybersecurity |
| | | Governance soundness |
| | | Breaches of governance |
| | Transparency | Sustainability report |
| | | Board communication |

**Industry materiality of indicators is determined with the use of SASB standards and in-house industry expertise**

Source: Schroders Capital, 2024.

Industry materiality of the 7 ESG focus areas and 27 indicators are predefined in the Company ESG Assessment methodology so that the scoring per industry is standardised. This materiality map integrates the SASB Materiality Map [14] as well as Schroders Capital's internal industry experience.

The Investment Manager applies a further due diligence and monitoring for the sustainable investment allocation of the Fund:

9 Task Force on Climate-Related Financial Disclosures (TCFD)
10 Diversity in Action Initiative - ILPA
11 Due Diligence Questionnaire and Diversity Metrics Template - ILPA
12 Reporting and Assessment Resources - UN PRI
13 Guiding Principles - EDCI
14 SASB Materiality Standards assess the industry-specific sustainability-related risks and opportunities that are most likely to affect cash flows, access to finance, and cost of capital for companies. The Materiality Map is accessible here: 'Exploring materiality - SASB'

- Do No Significant Harm ("DNSH") assessments
- The RISE Impact assessment is used to perform due diligence, monitor, measure and annually report a pre-defined set of key performance indicators ("KPIs") for each sustainable investment. This methodology integrates the Impact Management Project framework and the Operating Principles for Impact Management ("OPIM").

### *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 binding elements of the investment strategy are four-fold:

- Exclusion of certain business activities

The Fund shall not invest in any Portfolio Company that the General Partner, or as applicable the manager of an Underlying Portfolio Fund, is aware at the time of the Fund's Investment therein directly engages in the following:

(A) Production, financing or sale of the following weapons types:

(1) Anti-personnel mines

(2) Cluster munitions

(3) Nuclear weapons

(4) Biological and chemical weapons.

(B) Negatively impacting biodiversity by directly engaging in the following activities:

(1) The production or trade in any product prohibited under the Convention on International Trade in Endangered Species of Wild Fauna and Flora

(2) Blast or drift net fishing using nets in excess of 2.5 km in length

(3) Commercial logging operations in primary tropical moist forest

(C) The use of child labour (as defined by the International Labour Organisation ("ILO")'s 1973 Minimum Age Convention, or the age set by local regulation, whichever is higher) or forced labour (as defined in the ILO's 1930 Forced Labour Convention and as implemented by applicable local law)

(D) Prostitution

(E) Racism, bigotry or negative discrimination pursuant to systematic practices of the Portfolio Company

The Fund shall not invest (i) more than 5% of total Commitments in Portfolio Companies that the General Partner is aware of at the time of the Fund's Investment therein directly engage in, or (ii) in any Portfolio Company that the General Partner or, as applicable, the manager of an Underlying Portfolio Fund, is aware at the time of the Fund's Investment therein derives more than 10% of its annual consolidated gross sales revenue at the time of Investment directly from:

(A) Production, financing or trade in conventional weapons, and munitions, including civilian firearms

(B) Production, financing or sale of unconventional oil and gas, and fossil fuel fired thermal power facilities

(C) Mining or the extraction of coal

(D) Tobacco products

(E) Pornography

(F) Usury or predatory lending

The Fund shall not invest in any Portfolio Company that the General Partner is aware at the time of the Fund's Investment therein actively encourage addiction, illness or abuse unless such investment is reviewed and approved on a case-by-case basis by the Portfolio Manager's S&I Committee, including:

(A) Alcohol addiction

(B) Substance addiction or abuse

(C) Gaming addiction

(D) Gambling addiction

The above does not prohibit participation by the Fund directly or indirectly in any Portfolio Company which only falls within one or more of the categories above by (A) involvement with the production, financing, sale or trade of a component part (for example, without limitation, batteries, satellite navigation tools, or computer processors) of another product and where such component has not been created with such prohibited use in mind and is mainly used for other non-prohibited products, (B) providing products or services not described above (e.g., component parts or enabling technology and services) to a customer that engages in the production, distribution, sale or provision of one or more products and/or services, or the operation of one or more businesses, as described above, or (C) operating wholesale, retail or other establishments engaged in the manufacturing, distribution, sale or provision of a broad range of products and/or services, of which any product or service described above is only an incidental part.

Nothing in this section shall require the General Partner, the Fund, the Portfolio Manager, any manager, sponsor or adviser of an Underlying Portfolio Fund or any other Person to conduct any inquiry into the activities of any potential Portfolio Company that is beyond the ordinary and customary due diligence review that they would conduct in respect to such a potential Portfolio Company.

– The application of a minimum ESG score for at least half (50%) of contributed capital

At least half (50%) of the aggregate amount contributed by the Partnership to Underlying Portfolio Funds and to Portfolio Companies pursuant to Direct Investments and Co-Investments (including realized and unrealized Investments) shall be to Underlying Portfolio Funds and Portfolio Companies that meet the relevant "Threshold Criteria" as described below.

The General Partner shall regularly assess the existing Investments to monitor performance with the Threshold Criteria.

– An Investment shall meet the Threshold Criteria if in the case of:

(A) Commingled, blind pool Underlying Portfolio Funds: The Portfolio Manager has assessed such Underlying Portfolio Fund to score at least 60 out of 100 in its GP and Fund ESG Assessment.

(B) Direct Investments, Co-Investments and any investment in an Underlying Portfolio Fund that is not a blind pool fund (including GP-led secondary investments): The Portfolio Manager has assessed the relevant Portfolio Company to score at least 60 out of 100 in its Company ESG Assessment.

– The application of a minimum Impact Score threshold in the Schroders Impact Scorecard for at least 10% of Capital

At least 10% of the Fund's Capital will be in sustainable investments. All sustainable investments in the Fund will contribute to at least one of the SDGs, by assessment through the Schroders Impact Scorecard methodology. As part of this methodology, the minimum impact score that must be achieved for each sustainable investment is 50/100.

The General Partner and any manager, sponsor or adviser of an Underlying Portfolio Fund Shall be entitled to reasonably interpret the restrictions set out above in connection with determining both whether a proposed investment is restricted by the exclusion list above and whether an investment meets the relevant Threshold Criteria, and the General Partner shall not be liable for any error any such determination if made in good faith.

### *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?*

The Fund has not committed to a minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

**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 has integrated good governance criteria in the GP and Fund ESG and Company ESG assessments, which are applied to and must be passed by 100% of investments in the Fund.

The good governance criteria test for:

– Sound management structure and high-level governance structure*

– Transparent board communication

– Availability, or evidenced plans to develop, a Code of Conduct (or similar policies) including at a minimum a policy for Anti-Harassment, Anti-Corruption and -Bribery, and Tax Compliance

These criteria apply to the fund manager as well as its fund approach for fund investments, and to the extent possible the underlying portfolio companies.

Post-investment, changes to these factors will be monitored, assessed and engaged on.

*Information on remuneration is a due diligence point, however transparency on remuneration is not always available due to the nature of the asset class.

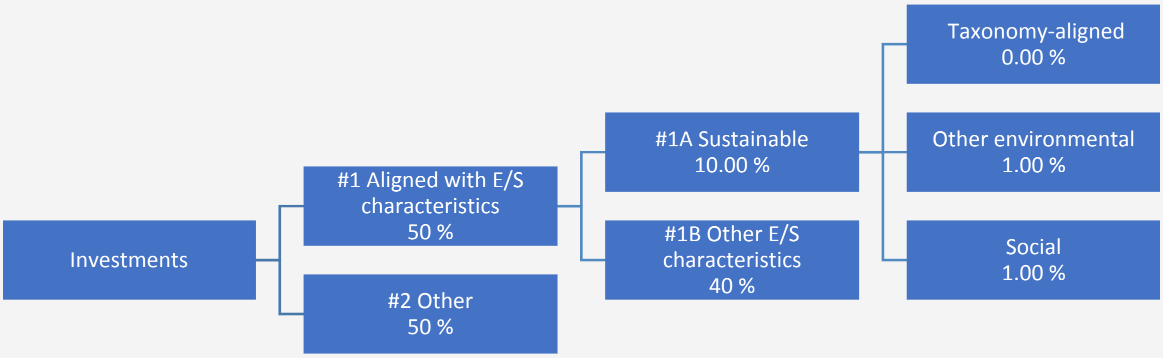
## What is the asset allocation planned for this financial product?

The Fund will pursue investments that promote environmental and social characteristics. Based on the binding criteria of the Fund:

- 100% of the investments will be compliant with the Investment Manager's exclusion list.
- At least 50% of investments need to score a minimum of 60/100 based on the Investment Manager's proprietary in the GP and Fund ESG or Company ESG assessments (#1 Aligned with E/S characteristics).
- The remaining 50% of the allocation of the Fund is reserved for investments with (a) a score below 60% on the in the GP and Fund ESG or Company ESG assessments but with a clear pathway to improving their sustainability standing or (b) for companies for which sufficient data metrics to evaluate against the in the GP and Fund ESG or Company ESG assessments was not possible to collect (#2 Other).
- At least 10% of Capital will be sustainable investments and will target a positive contribution to at least one SDG, measured by the Investment Manager's proprietary RISE Impact assessment by a minimum score for each investment of 50/100.
- the Fund is allowed to hold cash or cash equivalents which will not be aligned with the E/S characteristics promoted (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

The above allocations are calculated on a 3 year rolling basis as a proportion of the total Fund assets comprising the aggregated amount of capital contributions (including commitments to invest in underlying assets) to each of the Fund's investments held directly and/or indirectly (excluding those for liquidity purposes) and the portion of the Fund's assets held directly and/or indirectly for the specific purpose of liquidity management.




**#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.

### *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

This Fund does not use derivatives to attain the environmental or social characteristics.

## 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.

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[15]?*

☐ Yes:

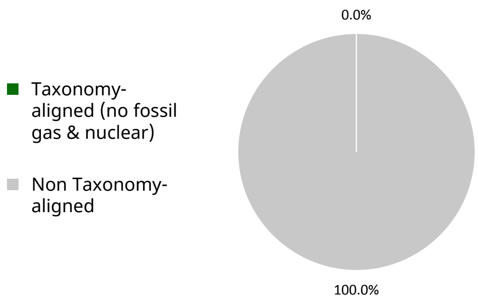
☐ In fossil gas ☐ In nuclear energy

☑ No

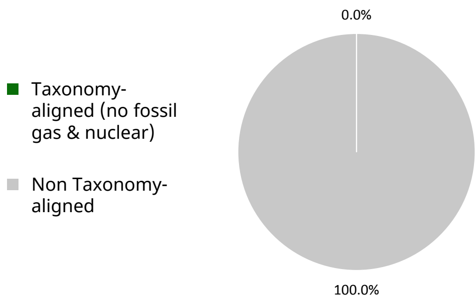
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (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.[16]

** 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.

15 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.

16 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 a minimum of 1.00% of 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 a minimum of 1.00% of 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?

Investments included under "#2 Other" are Portfolio Companies that score less than 60 out of 100 in Schroders Capital's Company ESG Assessment tool, which may be due to there being insufficient data available to complete an assessment. As minimum safeguards these investments need to comply with Schroders Capital's exclusion list and the good governance assessment.

In addition, the Fund is allowed to hold cash or cash equivalent. No minimum environmental or social safeguards are applied to this portion of the portfolio.

## 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 website: https://www.schroders.com/en-lu/lu/individual/fund-centre

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Product name: Schroders Capital Semi-Liquid Global Energy InfrastructureLegal entity identifier: 5493000LVPRULQJQLJ13**

**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 include 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: 80.00%** | ☐ 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 __**%** 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 is the sustainable investment objective of this financial product?

The Fund's sustainable investment objective is to seek to contribute to the environmental objective of climate change mitigation by investing in a global portfolio of renewable and other energy transition-aligned infrastructure investments (the "Unlisted Investments") which Schroders Greencoat LLP (the "Investment Manager") deems to be sustainable investments supporting the transition to net zero.

In respect of the Unlisted Investments, the Investment Manager will select companies from a universe of eligible investments that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the contribution to the environmental objective of climate change mitigation alongside the Investment Manager's assessment of the company via its proprietary impact scorecard.

The Fund may also invest up to 20% of its assets in listed equities, held for liquidity purposes, which Schroder Investment Management Limited (the "Sub-Investment Manager") deems to be sustainable investments (the "Listed Equities"). For the Listed Equities, a sustainable investment is an investment in a business which demonstrates a minimum of 50% net revenue alignment with one or more of the United Nations Sustainable Development Goals ("UN SDGs"), based on Schroders' proprietary tool. The Listed Equities may or may not contribute towards the environmental objective of climate change mitigation but are deemed to contribute to activities that the Sub-Investment Manager expects to advance one or more of the UN SDGs by contributing positively towards environmental and social development themes.

The Fund may also invest in investments that the Investment Manager and the Sub-Investment Manager deem to be neutral under its sustainability criteria, such as cash and money market instruments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund does not have a carbon reduction objective and has not designated a reference benchmark for the purpose of attaining the sustainable investment objective.

At the date of this Prospectus, it is not yet possible to commit to the Fund maintaining a minimum alignment with the EU Taxonomy, as the Investment Manager and the Sub-Investment Manager are currently not in a position to accurately determine to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities. However, the Fund will target Taxonomy-aligned investments as part of its investment strategy, and for the Unlisted Investments, the Investment Manager will assess new investments against the relevant criteria for Taxonomy-alignment, including the technical screening criteria ("TSC") applicable to the economic activity, as part of normal course pre-investment ESG screening.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### *What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?*

The Investment Manager and Sub-Investment Manager are responsible for determining whether an Unlisted Investment or an investment in Listed Equities respectively, meet the criteria of a sustainable investment.

**For the Unlisted Investments**:

The Investment Manager uses specific sustainability Key Performance Indicators ("KPIs") to assess the contribution of the Unlisted Investments to an environmental objective.

The sustainability indicators used to measure the attainment of the sustainable investment objective of the Unlisted Investments within the Fund are as follows:

- Renewable energy generated (GWh)
- GHG emissions (Scope 1, Scope 2, Scope 3) (tonnes of $CO_2e$)
- Carbon avoided (tonnes of $CO_2$)
- Equivalent number of homes powered or heated

These metrics, as well as any other relevant metrics will be used to complete a proprietary impact scorecard which focuses on the impact that a company's products and services are expected to have. The Investment Manager considers different aspects of impact such as: what outcome the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment includes tracking Key Performance Indicators (KPIs) that are used to measure and monitor the company's impact over time via an annual review.

Once these steps have been completed, the investment and impact scorecard is then validated and approved by Schroders' Impact Assessment Group (IAG), in order for the company to be eligible for inclusion in the Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investments team and members of the investment team. Certain investment types, including sub-funds and assets in technologies where the impact credentials are mostly homogenous, may be pre-approved by the IAG. Other investments will require pre-approval on a case-by-case basis.

These metrics, and any additional relevant impact metrics set out in the impact scorecard, will be monitored on an annual basis by the Investment Manager and the IAG.

**For the Listed Equities:**

The Sub-Investment Manager uses a revenue based approach in this assessment by considering whether a certain percentage of the relevant issuer's revenues contributes to an environmental or social objective (as applicable). The output of the analysis outlined below is the production of a list of investments that meet the selection criteria, which represents the investment universe.

The Sub-Investment Manager assesses how and to what degree a company's activities help to advance the UN SDGs by considering whether a business demonstrates a minimum of 50% net revenue alignment with one or more of the UN SDGs, based on Schroders' proprietary tool.

Compliance with the minimum percentage of sustainable investments is monitored via our compliance controls. The Fund also applies certain exclusions, with which the Investment Manager and Sub-Investment Managers monitor compliance on an ongoing basis via their respective portfolio compliance framework, as overseen by the Management Company.

### *How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?*

The investments of the Fund are expected to contribute to the sustainable investment objective and not significantly harm any sustainability objective.

**For the Unlisted Investments:**

The Investment Manager's approach to investing in investee companies that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Active engagement and management of sustainability risks and opportunities for the Fund and its investments prior to making any investment and on an ongoing basis once an investment has been made. Sustainability risks and opportunities are fully embedded in the risk management framework at both Fund and portfolio level. At portfolio level, each investee company has a register which is reviewed by the relevant board and updated at least annually, or at such time as new material risks emerge. The materiality of each sustainability risk is assessed in respect of the likelihood of its occurrence and the impact of such an occurrence, on a numerical scale in line with standard industry practice. Any material risks are escalated to the Investment Manager's Risk Management Committee (as overseen by the Management Company with respect to the Fund). The Risk Management Committee meets on a quarterly basis to discuss, amongst other matters, the risk framework of each fund and its investments including processes for identifying, assessing and managing sustainability risks.

- The Investment Manager's investment committee responsible for the Fund comprises experienced members of the Investment Manager. Whilst making investment decisions, due consideration is given to climate-related risks and opportunities identified during due diligence. A formal ESG checklist is considered by the Investment Committee in the approval process of any new investment.

- Ongoing sustainability risks for the portfolio are monitored, managed, and reported to the Investment Manager's Steering Committee responsible for the Fund. This process is overseen and monitored by the Management Company that retains responsibility for risk management of the Fund (including in relation to sustainability risks).

- The Investment Manager will apply exclusion criteria or limits with the effect of avoiding investment in economic activities that the Investment Manager believes to be incompatible with the sustainable investment objective, as set out in the Schroders Greencoat ESG Policy which applies to the Fund (the "ESG Policy"). The ESG Policy can be found on the Investment Manager's website, https://www.schroderscapital.com/en/global/professional/capabilities/infrastructure/schrodersgreencoat/esg/

- 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 Disclosures" on the Fund's webpage, https://www.schroders.com/en-lu/lu/individual/fund-centre.

- The Investment Manager's rating criteria will be used to assess that all potential investments do not cause significant harm to the sustainable investment objective of the Fund. These rating criteria encompass the ESG and impact assessment of an investment in the pre-investment selection, due diligence and post-investment monitoring phase. Specifically, the impact component of the Investment Manager's rating criteria aims at capturing the impact intent, contribution, and measurement framework for investments.

**For the Listed Equities:**

The Sub-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 Schroders 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.

- 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 Disclosures" on the Fund's webpage, https://www.schroders.com/en-lu/lu/individual/fund-centre.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

**For the Unlisted Investments:**

The Investment Manager considers the principal adverse impacts ("PAIs") of its investment decisions relating to the Fund's Unlisted Investments on sustainability factors and this informs its approach to long-term investment stewardship and stakeholder engagement.

As the Fund predominantly targets investments in renewable energy infrastructure held through Special Purpose Vehicles ("SPVs"), the PAIs that are most relevant to the Fund include (but are not limited to):

- Greenhouse gas emissions (Table 1 RTS: PAIs 1-6); and
- Number of days lost to injuries, accidents, fatalities or illness (Table 3 RTS: PAI 3)

The Investment Manager seeks to mitigate the impact of the PAIs and other indicators considered in relation to Unlisted Investments firstly by implementing the Schroders Greencoat ESG Policy which applies to the Fund (the "ESG Policy"). The ESG Policy sets guidance and principles for integrating sustainability in the investment and asset management processes across the Schroders Greencoat business and looks to establish best practice in climate related risk management, reporting and transparency. It outlines areas of focus that are common to energy transition-aligned (including renewable) investments including environment, workplace standards, health and safety practices, governance (including compliance with applicable laws and regulations) and local community engagement, while allowing different strategies to consider additional factors or different materiality depending on the types or stage of investments targeted. It also includes a list of exclusions and key performance indicators that are monitored and reported on (as appropriate). The ESG Policy is available on the Schroders Greencoat website: https://www.schroderscapital.com/en/global/professional/capabilities/infrastructure/schrodersgreencoat/esg/

Sustainability factors are considered prior to investment as part of early-stage screening, detailed due diligence and the Investment Committee's decision-making, and managed post-acquisition in accordance with the Investment Manager's wider asset management practices.

**For the Listed Equities:**

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 Sub-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 and Voluntary)
  - 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). Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Sub-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 Sub-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.

**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 are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

**For the Unlisted Investments:**

In respect of Unlisted Investments, the Fund predominantly targets investments in real infrastructure assets which will be held through SPVs: standalone legal entities which tend not to have any employees or management teams, but instead outsource all operations and management requirements to third parties. The SPVs will typically outsource all operations and management requirements to third parties, through long-term contracts. Some investments may be into companies with employees who may conduct development, operations, maintenance and general management activities, reporting to the investee company boards. The Investment Manager assesses the alignment of the investee companies' sustainable investments with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (the "Minimum Safeguards").

The Investment Manager conducts initial due diligence and ongoing monitoring of investee companies to ensure their alignment with the Minimum Safeguards and, where possible, will impose obligations on the key service providers involved in the operations and management of the investee companies to ensure their ongoing compliance. This may be achieved by the Investment Manager's Code of Conduct Side Letter (or an equivalent standard) which requires key service providers to comply with all applicable laws, rules, regulations and overarching principles in the countries where they operate. This covers anti-bribery and corruption, financial crime, data protection and employment and health and safety laws (including those relating to human rights, human trafficking, modern slavery, and public safety). These procedures are monitored regularly by the Investment Manager's fund operations function (as overseen by the Management Company with respect to the Fund).

The Investment Manager also has a clear focus on raising awareness around the potential risks of forced labour and modern slavery in the supply chains of the Fund's investments. For example, in the case of solar, the Investment Manager is supporting the Solar Stewardship Initiative, an industry-wide initiative (through Solar Energy UK) to establish a supply chain framework for the solar industry to address modern slavery issues linked to polysilicon production in high-risk areas. The industry (with the help of consultants) has developed the Solar Sustainability Best Practices Benchmark to produce industry standards for improved traceability and full disclosure of environmental and social aspects in the supply chain. It is also working on producing an assurance process to map data gaps in the solar supply chain and enhance traceability.

Across Unlisted Investments and Listed Equities,

The Fund will adopt the Schroders' 'global norms' framework and exclude investments in entities that are included in the Schroders' 'global norms' breach list which have been identified as having breached one or more global norms, thereby cause significant environmental or social harm. Schroders' determination of whether a company should be included on such list considers the relevant principles such as those contained in the Minimum Safeguards. The 'global norms' breach list may be informed by third party providers and by proprietary research, where relevant to a particular situation.

## Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

**For the Unlisted Investments:**

As the Fund predominantly targets investments in renewable energy infrastructure held through SPVs, the PAIs that are most relevant to the Fund include (but are not limited to):

- Greenhouse gas emissions (Table 1 RTS: PAIs 1-6); and
- Number of days lost to injuries, accidents, fatalities or illness (Table 3 RTS: PAI 3)

The Investment Manager seeks to mitigate the impact of the PAIs and other indicators considered in relation to the Unlisted Investments firstly by implementing the ESG Policy. The ESG Policy sets guidance and principles for integrating sustainability in the investment and asset management processes across the Schroders Greencoat business and looks to establish best practice in climate related risk management, reporting and transparency. It outlines areas of focus that are common to energy transition-aligned (including renewable energy) investments including environment, workplace standards, health and safety practices, governance (including compliance with applicable laws and regulations) and local community engagements, while allowing different strategies to consider additional factors or different materiality depending on the types of assets into which they invest. It also includes a list of exclusions and key performance indicators that are monitored and reported on (as appropriate). The ESG Policy is available on the Schroders Greencoat website: https://www.schroderscapital.com/en/global/professional/capabilities/infrastructure/schrodersgreencoat/esg/ Sustainability factors are considered prior to investment as part of early-stage screening, detailed due diligence and the Investment Committee's decision-making, and managed post-acquisition in accordance with the Investment Manager's wider asset management practices.

**For the Listed Equities:**

The Sub-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.

I.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 Sub-Investment Manager's portfolio compliance framework.

II. PAIs are also considered through integration in the investment process. As part of the listed portfolio's quantitative investment process, Schroders proprietary tool is used to evaluate whether a company is effectively managing its climate and environmental risks. Specifically, greenhouse gas emissions, greenhouse gas intensity, and exposure to companies active in the fossil fuel industry (PAI 1,2,3,4); and activities that may affect biodiversity-sensitive areas, emissions to water, and hazardous waste (PAI 7,8,9) are considered. All PAI indicators are monitored via Schroders PAI dashboard.

III. PAIs are also considered post-investment through engagement where the Sub-Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint seen here (https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint.pdf, https://mybrand.schroders.com/m/67cc46846449900f/original/schroders-capital-private-markets-engagement-blueprint.pdf), which outlines our approach to active ownership. For example, we may engage with selected companies on issues or topics related to climate change to better understand companies' plans to transition to net zero and their policies for decarbonisation efforts. These engagements would be relevant to PAIs 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 here. 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 is actively managed and invests its assets in (i) renewable and other energy transition-aligned infrastructure investments that the Investment Manager believes are sustainable investments and contribute towards the environmental objective of climate change mitigation, (ii) listed equities, held for liquidity purposes, which the Sub-Investment Manager deems to be sustainable investments, which may or may not contribute towards the environmental objective of climate change mitigation, and (iii) other investments that the Investment Manager deems to be neutral under its sustainability criteria which may include, but are not limited to, derivatives for hedging purposes, cash and money market investments. The Fund will invest globally, with a particular focus on the UK, EEA and the US.

For more information on the investment policy of the Fund please refer to Appendix III - Schroders Capital Semi-Liquid Energy Transition.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

  The following are binding elements of the investment strategy of the Fund implemented in the investment process on a continuous basis to attain the sustainable investment objective:

a) Permitted investments

The Fund will invest a minimum of 80% of its assets in sustainable investments, which are (i) investments that the Investment Manager believes will contribute towards the environmental objective of climate change mitigation by supporting the energy transition and the path to net zero (through the generation and efficient use of green and low-carbon energy and the avoidance of $CO_2$); or (ii) an investment in a business which demonstrates a minimum of 50% net revenue alignment with one or more of the UN SDGs based on Schroders' proprietary tool, which may or may not contribute towards the environmental objective of climate change mitigation.

b) Exclusions

New investments are screened against the Fund's investment restrictions, which identify the geographies, businesses, and activities in which the Fund will not invest.

For the Unlisted Investments, the Investment Manager will apply exclusion criteria or limits with the effect of avoiding investment in economic activities that the Investment Manager believes to be incompatible with the sustainable investment objective, as set out in the ESG Policy.

For the Listed Equities, the Sub-Investment Manager 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, but not limited to weapons and firearms, tobacco, thermal coal mining and coal fired power generation.

Details of the revenue thresholds together with certain other exclusions the Fund applies are listed under "Sustainability Information" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

c) Do no significant harm ("DNSH") assessment

The Investment Manager and Sub-Investment Manager will conduct a DNSH assessment of each investment to ensure that it does not significantly harm any environmental or social objective (as described above in "How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective").

d) Good governance assessment

For the Unlisted Investments, the Investment Manager will assess investee companies (and, where it has sufficient control or influence and to the extent relevant, the key service providers involved in the operations and management of the investee companies) to ensure they follow good governance practices.

For the Listed Equities, the Sub-Investment Manager applies a central Good Governance Test to assess good governance practices (as described below in "What is the policy to assess good governance practices of the investee companies?").

e) Taxonomy-alignment assessment

At the date of this Prospectus, it is not yet possible to commit to the Fund maintaining a minimum alignment with the EU Taxonomy, as the Investment Manager and the Sub-Investment Manager are currently not in a position to accurately determine to what extent the Fund's investments are in taxonomy-aligned environmentally sustainable activities. However, the Fund will target Taxonomy-aligned investments as part of its investment strategy, and for the Unlisted Investments, the Investment Manager will assess new investments against the relevant criteria for Taxonomy-alignment, including the technical screening criteria ("TSC") applicable to the economic activity, as part of normal course pre-investment ESG screening.

f) Engagement

Where the Fund invests in Unlisted Investments, the Investment Manager is committed to engaging with all stakeholders relevant to its portfolio to ensure its Unlisted Investments positively impact the communities in which they operate. Sustainability-related risks and challenges are regularly discussed within the Investment Manager's asset management teams which are also reported to and discussed with the Steering Committee through regular meetings and specific risk register review discussions. Key sustainability factors such as those relating to health and safety, compliance with environmental standards and stakeholder relations are regularly discussed and documented.

Where the Fund invests in Listed Equities, the Sub-Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Sub-Investment Manager's approach to sustainability and its engagement with companies are available on the website https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

**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?*

**For the Unlisted Investments:**

The Investment Manager expects its investee companies and, where it has sufficient control or influence and to the extent relevant, the key service providers involved in the operations and management of the investee companies, to practice a minimum standard of good governance in relation to sound management structures, relevant tax compliance, employee relations, remuneration and avoidance of bribery and corruption, as further described in the table below.

In particular, the Investment Manager evaluates the governance practices of prospective investments and seeks to understand those of the key service providers it appoints through due diligence prior to investment. During the holding period, representatives of the Investment Manager will typically take one or more board seats of the investee company and therefore take part in the strategic and operational decisions. In some cases, typically in large offshore wind joint ventures, depending on the size of the stake held by the Fund, the Schroders Greencoat representative on the investee company board may not be the appointee of the Fund or may be jointly appointed by the Fund and other funds managed by Schroders Greencoat. As the investments will typically be SPVs and therefore not have employees or management teams, any employee related social factors in relation to those investments are typically focussed on the third-party service providers.

The Investment Manager will monitor the governance practices relating to each investee company on an ongoing basis through regular reviews against the criteria listed below. The extent to which the Investment Manager can enforce good governance, whether through engagement or contractual documents, will depend on the structure or the nature of the relationship and structure of the investment (for example, asset SPVs vs. companies with employees, majority vs. minority stakes). As such, what "good governance" looks like will also vary and some of the requirements listed below may not be relevant in all cases.

| **Good Governance** | |
|---|---|
| **Sound management** | **The Investment Manager expects investee company boards to promote the long-term success of the company and to act with integrity.**<br><br>The investee company board should demonstrate the following characteristics:<br>– apply objective judgment and promote a culture of openness and integrity;<br>– have the appropriate combination of skills, experience and knowledge;<br>– understand the importance of the relationship between the company and stakeholders including the impact on the community and environment within which it operates; and<br>– establish appropriate controls, audit functions and risk controls appropriate for the size of the company. |
| **Tax compliance** | **Investee companies are expected to adhere to local and international tax laws.** |
| **Employee relations including remuneration** | **Employees should be treated fairly with particular consideration given to the maintenance of proper working conditions.**<br><br>For investee companies with employees, this would include having in place:<br>– appropriate health and safety processes<br>– proper remuneration practices in place whereby all employees are paid the minimum wage according to the region within which they are employed<br>– policies ensuring adherence to all applicable labour laws (including the avoidance of child labour); and<br>– a commitment to workforce diversity and inclusion<br><br>For investee companies without employees (i.e.: SPVs), this applies mainly to the key service providers involved in the operation and management of the SPV. |
| **Anti-bribery and corruption** | **Investee companies should work against bribery and corruption in undertaking their corporate activities and have appropriate policies in place** (e.g.: Anti-Money Laundering, Bribery & Corruption, and Conflicts of Interest policies) |

**For the Listed Equities:**

– 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 Sub-Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

## What is the asset allocation and the minimum share of sustainable investments?

**Asset allocation** describes the share of investments in specific assets.

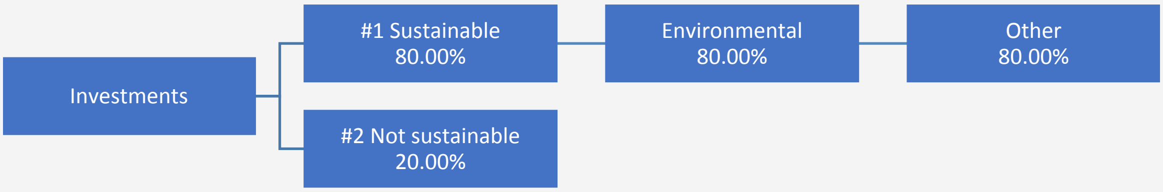
The planned composition of the Fund's investments that are used to meet its sustainable investment objective is summarised below.

The Fund invests at least 80% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments that (i) the Investment Manager believes will contribute towards the environmental objective of climate change mitigation by supporting the energy transition and the path to net zero (through the generation and efficient use of green and low-carbon energy and the avoidance of $CO_2$), or (ii) investments via Listed Equities in businesses which demonstrate a minimum of 50% net revenue alignment with one or more of the UN SDGs based on Schroders' proprietary tool, which may or may not contribute towards the environmental objective of climate change mitigation. The minimum proportion stated applies in normal market conditions.

The allocation to **#2 Not sustainable** includes investments that are treated as neutral for sustainability purposes, such as cash and money market instruments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Whilst the Fund will invest in Sustainable Investments and assets treated as neutral for sustainability purposes, the asset allocation mentioned will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first 24 months after the Fund's Launch Date. The Ramp-Up Period can be shortened at the discretion of the Board of Directors.

The share of sustainable investments is calculated on a 3 year rolling basis as a proportion of the total Fund assets comprising the aggregated amount of capital contributions (including commitments to invest in underlying assets) to each of the Fund's investments held directly and/or indirectly (excluding those for liquidity purposes) and the portion of the Fund's assets held directly and/or indirectly for the specific purpose of liquidity management. For the avoidance of doubt, the Fund's legally binding commitments to invest in underlying assets that meet the sustainable investment objective will be considered a sustainable investment.




**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

### *How does the use of derivatives attain the sustainable investment objective?*

The Fund may enter into hedging arrangements (including in relation to interest rates, currencies, power and other commodities) for the purposes of minimising or reducing risk or exposure in respect of investments but will not use derivatives or hedging transactions for speculative investment purposes (i.e. to attain the sustainable investment objective).

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to investing a minimum proportion of sustainable investments with an environmental objective that are aligned with the EU Taxonomy . However, the Fund will target Taxonomy-aligned investments as part of its investment strategy, as described above in the section: *"What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?"*

**For the Unlisted Investments:**

The Investment Manager will assess investments against the Technical Screening Criteria applicable to the environmental objective of climate change mitigation and the relevant economic activity. The TSC for economic activities supporting the remaining environmental objectives of the EU Taxonomy have either not yet been developed or do not include certain economic activities. As the regulation develops, it may be determined that the Fund's investments also contribute to other environmental objectives of the EU Taxonomy. The Investment Manager does not presently intend to seek assurance of its Taxonomy-alignment assessments by a third-party provider, but may do so in the future.

**For the Listed Equities:**

There is no minimum extent to which the Listed Equities with an environmental objective are aligned with the Taxonomy (including transitional and enabling activities). Taxonomy alignment of these 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 Sub-Investment Manager will assess and report on the extent to which its Listed Equities are in economic activities that qualify as environmentally sustainable under the EU Taxonomy, along with information relating to the proportion of enabling and transitional activities.

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

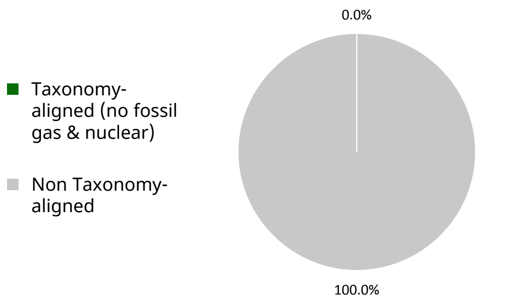
☑ No

The Fund may have exposure to fossil gas related activities that comply with the EU Taxonomy, through its Unlisted Investments. However, there is no commitment to a minimum share of "Taxonomy-aligned fossil gas", as there is also no commitment to a minimum Taxonomy-alignment.

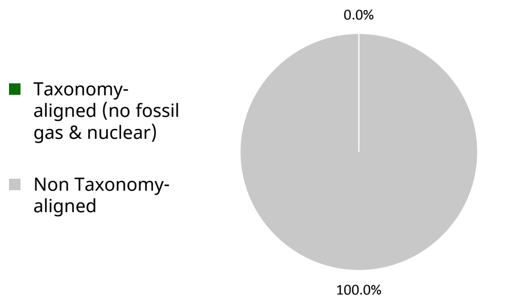
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (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?*

There is no minimum share of investments in transitional and enabling activities.

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?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The minimum share of sustainable investments with an environmental objective is 80%. These investments could be aligned with the EU Taxonomy, but as stated above this Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's sustainable investments with an environmental objective are aligned with the EU Taxonomy.

## What is the minimum share of sustainable investments with a social objective?

There is no minimum share of sustainable investments with a social objective. Further, a taxonomy of socially sustainable economic activities has not yet been developed. Once those rules are developed, it may be determined that the Fund's investments are considered socially sustainable economic activities.

## What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The allocation to #2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and money market instruments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied on assets treated as neutral for sustainability purposes, specifically in relation to money market instruments and derivatives used with the aim of reducing risk (hedging) 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 meet the sustainable investment objective?

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable as the Fund does not have a carbon reduction objective and will not be managed against a reference benchmark.

- ***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 website: https://www.schroders.com/en-lu/lu/individual/fund-centre

Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852.

**Product name:** Schroders Capital Semi-Liquid European Loans

**Legal entity identifier:** 549300Q8SRFGXM9IMO94

# 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 include 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 **___%** 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 in assets deemed above a minimum threshold based on the Investment Manager's rating system. Investments are ranked across Environmental, Social and Governance factors using a scorecard system that scores each investment on both quality (measured on a scale of A-F) and a forward looking directional rating that identifies improving and deteriorating issuer sustainability characteristics (either Improving, Stable or Deteriorating). At least 70% of the Fund's total investments measured by Net Asset Value are rated A-C, the remaining investments can have a quality rating of D, and a stable or improving rating on a forward looking directional basis.

**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?***

  In arriving at its overall ESG score, the Investment Manager uses different sustainability indicators to score each investment in the Fund dependent on the specific sector the issuer operates in. Indicators are typically either quantitative, data-oriented measures or information provided following engagement with issuers. Indicators include but are not limited to environmental metrics such as energy intensity or waste policy, social indicators such as labour management or health & safety policies and governance metrics such as board composition or renumeration policies. Compliance with the minimum required rating mix in the Fund 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?***

  This question is not applicable for the Fund.

- ***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?***

This question is not applicable for the Fund.

**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, anti-corruption and anti-bribery matters.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

This question is not applicable for 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:***

This question is not applicable for the Fund.

*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 involves classifying the indicators into two categories:

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.

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. We incorporated qualitative input alongside the systematic approach for specific investee positions, where relevant. This input is considered through the credit research process and is undertaken by the credit research analysts in collaboration with the sustainable credit analysts and may consider a variety of PAIs that could be relevant to the investee company and sector in which they operate. This may include PAI 12 (Unadjusted gender pay gap) and PAI 13 (Board gender diversity)

PAIs are also considered post-investment through engagement where the Investment Manager engages with issuers in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The credit research cross-regional industry sector teams undertake engagements, as relevant, with the investee companies on a number of topics which may cover a variety of PAIs. For example, this may include PAI 1, 2 and 3 (Greenhouse gas emissions, PAI 7 (biodiversity), PAI 9 on hazardous waste ratio and PAI 13 (board gender diversity).

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 (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 70% of its net assets in the senior secured obligations of European borrowers in European currencies. The Fund may invest up to 20% of its net assets into companies domiciled, located or operating in North America. The Fund invests in senior secured first lien loans (including assignments and participations) granted to companies domiciled, located or operating in European countries. The Fund may also invest up to 20% of its net assets in senior secured floating and fixed rate bonds issued by companies domiciled, located or operating in countries of Europe and North America including offshore jurisdictions such as the Channel Islands, Cayman Islands and Bermuda.

The Fund may also invest up to 15% of its net assets in second lien loans, senior unsecured and subordinated loans, senior and subordinated corporate debt obligations (such as bonds, debentures, notes and commercial paper), convertible debt obligations, preferred stock and repurchase agreements. The debt obligations the Fund invests in are expected to be rated sub-investment grade (investment below BBB- by Standard & Poor's ("S&P") or below Baa3 by Moody's Investors Services, Inc. ("Moody's").

The Fund will not invest more than 5% of its total net assets in any single name obligor as measured at the time of investment.

On an ancillary basis, the Fund may also hold and invest in equity or equity related securities.

The Fund may invest in money market instruments, money market funds and, in normal market conditions, may hold up to 15% of its net assets in cash.

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund will hedge non-Euro denominated currency exposure back to Euros.

The Fund may engage in repurchase and reverse repurchase agreements. In particular, repurchase and reverse repurchase agreements will be used to fund working capital requirements created by settlement differences between asset class types in the fund. The gross exposure of repurchase and reverse repurchase agreements will not exceed 15% and is expected to remain within the range of 0% to 15% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary sustainability assessment. The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's proprietary rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosures" on the Fund's webpage, accessed via 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 Investment Manager screens issuers against a proprietary ESG scorecard. The proprietary ESG scorecard uses a two dimensional rating methodology that rates each issuer on quality (from A being highest, to F being lowest), and on a forward looking directional basis (either Improving, Stable or Deteriorating). This methodology is used to assess the sustainability credentials of new investments and issuers as part of pre-investment/pre-acquisition due diligence. Subsequently, the Investment Manager aims to monitor and report performance against the sustainability criteria at regular intervals in order to demonstrate adherence to the sustainability commitment of the Fund through time and progress made as part of Schroders' active investment approach. Example of metrics scored include, but are not limited to, physical climate risk, energy consumption and renewable energy.

At least 70% of the Fund's total investments measured by Net Asset Value must achieve a quality score of A-C (out of A-F) as rated by the credit analysts. The remaining investments can have a quality rating of D, and a stable or improving rating on a forward looking directional basis.

The Fund will be able to hold D-declining obligations (in the event of a downgrade from D-stable and above) for 12-months subject to engagement. The Investment Manager will engage with the sustainability team to investigate and understand the nature of the downgrade and the forward looking trajectory of the company, taking a view on whether there can be an improvement. If no improvement can be seen, the Investment Manager will sell the obligation within this horizon, when market conditions allow for it.

The Investment Manager may also engage with issuers 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 are available on the website 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:

  – At least 70% of the Fund's total investments measured by Net Asset Value must achieve a Quality score of A-C (out of A-F) as rated by the credit analysts using a proprietary ESG scorecard. The remaining investments can have a quality rating of D, and a stable or improving rating on a forward looking directional basis.

  – 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. Further, the Fund may apply other exclusions as 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?***

  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.

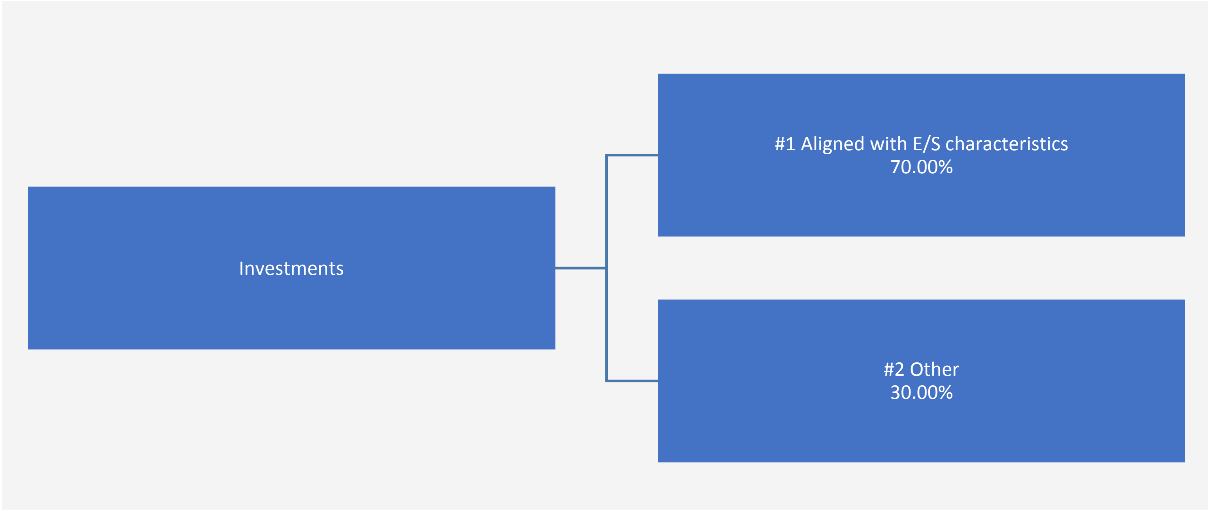
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics. The Fund invests at least 70% of its assets in investments that achieve a Quality score of A-C (out of A-F) as rated by the Investment Manager according to the proprietary ESG scorecard and so such investments are included within the minimum proportion stated in #1.

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash, money market investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes D-declining obligations which the Fund is able to hold in the event of a downgrade from D-stable and above for 12-months subject to engagement.

Minimum safeguards are applied where relevant to 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.

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.

#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 therefore contribute to the Fund's environmental or social characteristics.

## 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.

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

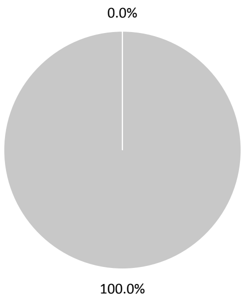
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas 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.*

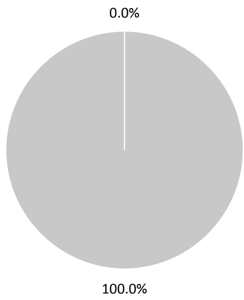
**1. Taxonomy-alignment of investments including sovereign bonds***

- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned




**2. Taxonomy-alignment of investments excluding sovereign bonds***

- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned




*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?

This question is not applicable for the Fund.

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?

This question is not applicable for the Fund.

[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 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, money market investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes D-declining obligations which the Fund is able to hold in the event of a downgrade from D-stable and above for 12-months subject to engagement.

Minimum safeguards are applied where relevant to 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.

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 website: https://www.schroders.com/en-lu/lu/individual/fund-centre

Template 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:** **Schroders Capital Semi-Liquid Global Real Estate Total Return**

**Legal entity identifier:** **549300WN4MJBMWDUEU20**

# 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 include 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 **__%** 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 75% of its real estate investments in investments which meet a minimum threshold based on the Investment Manager's rating system. Real estate investments are ranked across Environmental, Social and Governance factors using a scorecard system that scores each investment on a scale of 0-5. At least 75% of the Fund's real estate investments need to achieve a weighted average minimum score of 3 (out of 5). Cash, money-market instruments and derivatives are excluded.

No reference benchmark has been designated for the purpose of attaining the environmental and/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 uses different sustainability indicators to score each real estate investment in the Fund dependent on the specific asset-type, e.g. whether the underlying assets are real estate equity investments or real estate debt investments. Indicators are typically either quantitative, data-oriented measures or information from engagement with investment managers of underlying fund vehicles. Indicators include but are not limited to environmental metrics such as net zero carbon, climate resilience, energy usage intensity, renewable energy, circular economy and biodiversity, social indicators such as tenant and stakeholder engagement, health and wellbeing, contribution to local community, and governance metrics such as responsible procurement, tenant exclusion lists and green leasing. Compliance with the investment restrictions across the portfolio are continuously monitored. 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?*

This question is not applicable for the Fund.

- ***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?***

This question is not applicable for the Fund.

This question is not applicable for the Fund.**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?***

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

This question is not applicable for the Fund.

*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 considers principal adverse impacts on sustainability factors for direct and indirect real estate investments where applicable as part of the investment process.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. The Fund invests in public and private, direct and indirect and equity and debt real estate investments. The approach to the consideration of principal adverse impacts on sustainability factors may vary across these investment types as a reflection of the differing nature and levels of control the Investment Manager has over the underlying real estate assets. 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.

For private unlisted real estate investments:

PAIs are considered as part of pre-investment of directly held real estate assets through the application of exclusions. These include:

- Schroders exclusions regarding:
- Fossil fuels: PAI 17 (Exposure to fossil fuels). Potential tenants are screened against the Schroders Capital Real Estate Tenants and Suppliers Exclusion Policy. Tenants that derive revenues above certain thresholds from activities relating to fossil fuel extraction or production are excluded.
- Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. These include:

- Schroders Capital Real Estate's proprietary Global Solutions ESG Scorecard assesses two PAIs as a component of its scoring methodology. In assessing an investment's overall ESG score, PAIs 17 (Exposure to fossil fuels) and 18 (Exposure to energy-inefficient real estate assets) from Table 1 are included. Due to the broad universe of investments by the Fund, the principal adverse impacts on sustainability factors may be applied differently to the different investment types

PAIs are also considered post-investment through engagement where the Investment Manager engages with tenants, real estate operators and underlying investment managers to set out expectations on ESG approach and management.

For investments in listed securities:

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. These include:

- Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2, 3, 4, 5 and 6 are included. In assessing an issuer's overall social score, PAIs 12 and 13 are included.
- PAIs are considered using Schroders' proprietary tool as part of screening the investment universe and for providing a maximum that can be invested in each company.

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. We typically engage with investee companies on their commitment to mitigating climate change, which relates to PAIs 1, 2 and 3.

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 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 will invest directly in private real estate equity investments where the Fund will hold full or partial interests in individual assets or portfolios accessed through special purpose vehicles, joint ventures and other holding structures. The Fund may invest indirectly through primary investments in open-ended and closed-ended funds which in turn provide private real estate exposures. The Fund may also invest in secondary fund investments, where fund investments are acquired from a private equity real estate investor who wishes to exit their investment. The Fund may also invest directly and indirectly in the equity interests of real estate companies that are not listed on stock exchanges. The Fund may also invest up to 25% directly or indirectly in equity and equity related securities of real estate companies that are listed on stock exchanges.

The Fund may invest up to 25% in real estate debt investments (including high yield securities) accessed both directly and indirectly.

The Fund invests globally and will not invest more than 35% of its assets into property assets located in a single country, excluding the USA.

The Fund will target investments located in cities that the Investment Manager believes are well-positioned to benefit from higher economic growth as a result of structural changes including but not limited to urbanisation, changes in and growth of technology, growth in transport or changing demographics.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund will only invest in assets deemed above a minimum threshold based on the Investment Manager's sustainability rating system.

The Fund will not directly invest in certain activities, industries or groups of issuers in excess of the thresholds listed under "Sustainability-Related Disclosures" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Fund may invest in assets that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund may invest in money market instruments, money market funds and hold cash and may exceptionally hold up to 100% in such assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The strategy aims to identify underlying investments 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, and investments 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 underlying investment managers 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 are available on the website 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 all investments are screened against a proprietary ESG scorecard. The proprietary ESG scorecard is used as a screening mechanism for new investments and assets to assess their sustainability credentials as part of pre-investment/pre-acquisition due diligence. Subsequently the Investment Manager aims to monitor and report performance against the sustainability criteria at regular intervals in order to demonstrate adherence to the sustainability commitment through time and progress made as part of Schroders' active investment approach. Example of metrics scored include, but are not limited to, the profile of tenants, physical climate risk, energy consumption and renewable energy.

75% of the Fund's real estate investments need to achieve a weighted average minimum score of 3 (out of 5). The 75% threshold reflects the Fund's strategy of diversified investing which could include value-add funds investing in improving assets, which may not meet the minimum criteria at point of investment, and that we as the Investment Manager do not have direct control or influence over the underlying asset selection. For the avoidance of doubt, cash, money-market instruments and derivatives are excluded.

### *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 75% of its real estate investments in investments which meet a minimum threshold 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 Disclosures" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

- 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. Further, the Fund may apply other exclusions as 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?*

The Fund has not committed to a minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

**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?*

**For the Unlisted Investments:**

The Fund will consider the governance practices of each investment at the level of (i) the investment manager of each underlying fund or segregated mandate investment; (ii) the tax and regulatory structuring of the investment; and (iii) the underlying assets held by each investment.

Each investment manager shall be assessed to ensure that they have sound management structures, appropriate employee relations and remuneration of staff and tax compliance. Examples of the types of evidence the Fund would expect to see provided include: copies of policy, procedure and framework documents, website links to published statements and through direct conversations with the third-party managers during the due diligence and on-going investment manager review processes.

The structure of each investment will also be assessed to ensure there is appropriate SPV governance, tax substance and that such entities are structured in compliance with local tax and regulatory regimes.

The underlying real estate assets will be assessed to the extent possible against certain good governance criteria such as compliance with tenant screening criteria and appropriate procurement, valuation and asset management policies.

**For the Listed Investments:**

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.

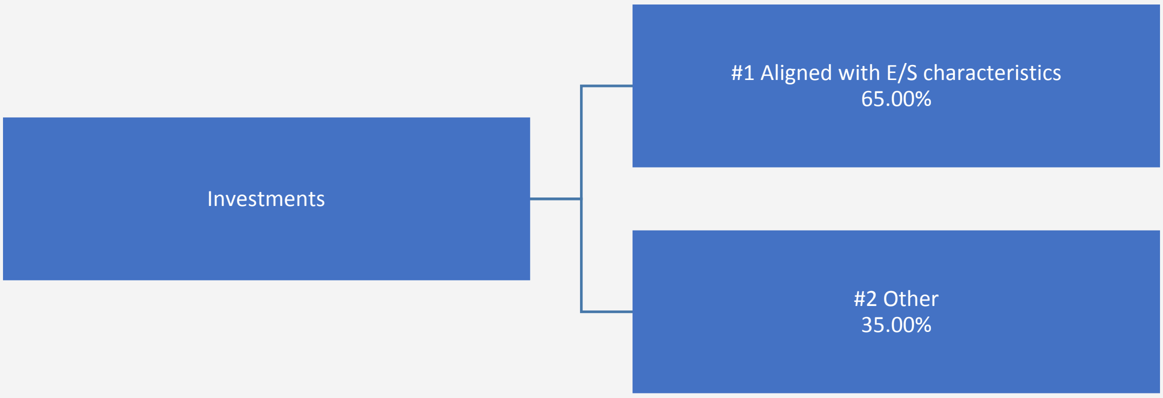
**#1 Aligned with E/S characteristics** includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 65%. The minimum proportion stated in #1 applies in normal market conditions and when the Fund reached a steady state portfolio.

**#2 Other** includes: a maximum of 35% of investments will fall into the following categories: (a) investments which are not aligned with the environmental or social characteristics ; and (b) investments that are treated as neutral, such as cash and money market instruments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The asset allocation mentioned will not be applicable during the "Ramp-up Period". The "Ramp-up Period" is defined as the first 24 months after the Fund's Launch Date. The Ramp-Up Period can be shortened at the discretion of the Board of Directors.

Minimum safeguards are applied in relation to money market and hedging investments 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.

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.

- ***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.

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[3]?***

  ☐ Yes:

  ☐ In fossil gas ☐ In nuclear energy

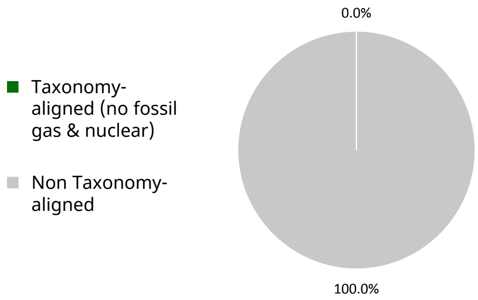
  ☑ No

[3] 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.

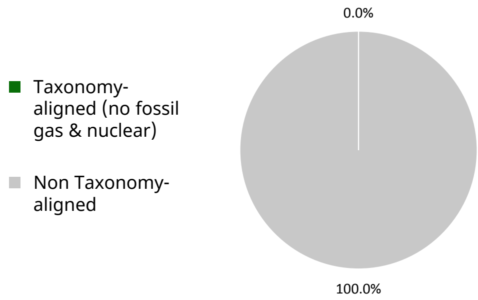
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (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. [4]

* *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?

This question is not applicable for the Fund.

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?

This question is not applicable for the Fund.

4 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 investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes: a maximum of 35% of investments will fall into the following categories: (a) investments which are not aligned with the environmental or social characteristics; and (b) investments that are treated as neutral, such as cash and money market instruments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied in relation to money market and hedging investments 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.

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 website: https://www.schroders.com/en-lu/lu/individual/fund-centre

# Appendix V

## Other information

(A) 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 is also available on the Internet site www.schroders.com.

EST. 1804

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