

**6 April 2021**

## **Schroder International Selection Fund – Sustainable Finance Disclosure Regulation (“SFDR”)**

Dear Shareholder,

We are writing to advise you that the investment objectives and policies of some funds in the prospectus of Schroder International Selection Fund (the “Company”) have been updated in order to comply with new requirements imposed by the SFDR.

The SFDR rules require that sustainable funds are classified under one of two new categories:

Article 8 – funds which have binding environmental and/or social characteristics

Article 9 – funds which have the objective of sustainable investment

The Appendix to this letter, which can be viewed at [www.schroders.com/en/lu/private-investor/fund-centre/fund-notifications/schroder-isf/](http://www.schroders.com/en/lu/private-investor/fund-centre/fund-notifications/schroder-isf/) shows the updated investment objective and policy wording in respect of each of the Company's Article 8 and Article 9 funds.

The changes are intended to clarify the way in which the funds are currently managed. All other key features of the funds will remain the same.

There is no change in the funds' investment style, investment philosophy, investment strategy, and the operation and/or manner in which the funds are being managed following these clarifications.

The prospectus of the Company further indicates that where a fund's investment policy states that the fund will achieve a certain sustainability score (whether overall, or in relation to a particular measure such as carbon intensity) compared to a named benchmark, this does not mean that the fund is constrained by, or seeks to achieve a financial return relative to that benchmark unless otherwise stated. Any benchmark named in this context should not be treated as a reference benchmark for the fund.

For any fund that has the objective of sustainable investment or has environmental or social characteristics, details of how the fund attains that objective or those characteristics are disclosed in the relevant Fund Details of the prospectus, in the fund's investment policy and under a new section “Sustainability Criteria” in the Fund Characteristics section, as further disclosed in the Appendix, which can be viewed at [www.schroders.com/en/lu/private-investor/fund-centre/fund-notifications/schroder-isf/](http://www.schroders.com/en/lu/private-investor/fund-centre/fund-notifications/schroder-isf/).

For funds other than the Article 8 and Article 9 funds, references to the consideration of material environmental, social and governance factors have been removed from the investment policies for consistency with the requirements of the SFDR as they fall under the scope of Article 6 of SFDR. Instead, a more detailed explanation has been added to the prospectus to explain how we take sustainability risks into account in the management of all funds. Please note that we in any case take environmental, social or governance criteria (alongside other factors) into consideration in the overall risk management process.

If you have any questions or would like more information about Schroders' products please contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 202.

Yours faithfully,

A handwritten signature in black ink, consisting of two large, rounded loops followed by a long horizontal stroke extending to the right.

**Cecilia Vernerson**  
Authorised Signatory

A handwritten signature in black ink, featuring a complex, stylized initial 'N' followed by several loops and a long horizontal stroke.

**Nirosha Jayawardana**  
Authorised Signatory

## Appendix

### Article 8 Funds

| Sub-Fund                          | Previous Investment Objective and Policy   | Enhanced Investment Objective and Policy and Sustainability Criteria  |
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| <p><b>Euro Corporate Bond</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the ICE BofA Merrill Lynch Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in Euro by governments, government agencies, supra-nationals and companies worldwide.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- up to 30% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);</li> <li>- up to 20% of its assets in sovereign government bonds;</li> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and</li> <li>- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.</li> </ul> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the ICE Bank of America Merrill Lynch Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies, supra-nationals and companies worldwide.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- up to 30% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);</li> <li>- up to 20% of its assets in sovereign government bonds;</li> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and</li> <li>- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.</li> </ul> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> |

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|  | <p>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.</p> | <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than ICE Bank of America Merrill Lynch Euro Corporate index, based on the Investment Manager’s rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability Information” on the Fund’s webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:</p> <ul style="list-style-type: none"> <li>• The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.</li> <li>• The inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager’s sustainability rating methodology.</li> </ul> <p>The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.</p> <p>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 publically available information provided by the companies, including information provided in company sustainability reports and other relevant company material.</p> <p>More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Investment Manager ensures that at least:</p> |
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|                           |   | <p>- 90% of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and</p> <p>- 75% of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies, held in the Fund's portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p>  |
| <p><b>Euro Equity</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI European Monetary Union (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in countries participating in the European Monetary Union.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least 75% of its assets in equity and equity related securities of companies that are incorporated in the European Economic Area. The Fund invests at least two-thirds of its assets in equity and equity related securities of companies in countries whose currency is the Euro.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI European Monetary Union (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in countries participating in the European Monetary Union.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least 75% of its assets in equity and equity related securities of companies that are incorporated in the European Economic Area. The Fund invests at least two-thirds of its assets in equity and equity related securities of companies in countries whose currency is the Euro.</p> <p>The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than MSCI European Monetary Union (Net TR) index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>The sources of information used to perform the analysis include Schroders' proprietary sustainability tools and third-party data.</p> |

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|   |  | <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schroders in-house ESG data tools. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile. Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.</p> <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.</p> <p>More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website [<a href="https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/">https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/</a> OR [Fund specific website]].</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> <li>• 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</li> <li>• 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,</li> </ul> <p>held in the Fund's portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p> |
| <p><b>European Dividend Maximiser</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to deliver an income of 7% per year by investing in equities or equity related securities of European companies. This is not guaranteed and could change depending on market conditions.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to deliver an income of 7% per year by investing in equities or equity related securities of European companies. This is not guaranteed and could change depending on market conditions.</p>   |

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|  | <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two thirds of its assets in equities or equity related securities of European companies, which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two thirds of its assets in equities or equity related securities of European companies, which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a carbon exposure below that of the MSCI Europe (Net TR), based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>Companies in the investment universe are subject to analysis related to their individual total scope 1 &amp; 2 carbon emissions. The sources of information used to perform the analysis include Schroders' proprietary sustainability tools and third-party data.</p> <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schroders in-house ESG data tools. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile. Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.</p> <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as</p> |
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|                                  |  | <p>well as Schroders' proprietary sustainability tools and third-party data</p> <p>More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> <li>- 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</li> <li>- 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,</li> </ul> <p>held in the Fund's portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p> |
| <p><b>European Large Cap</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European large-sized companies.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of large-sized European companies. These are companies which, at the time of purchase, are considered to be in the top 80% by market capitalisation of the European equities market.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European large-sized companies.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of large-sized European companies. These are companies which, at the time of purchase, are considered to be in the top 80% by market capitalisation of the European equities market.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a carbon exposure below that of the MSCI Europe (Net TR), based on the Investment Manager's rating system. More details</p>  |

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|  | <p>securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p>on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>Companies in the investment universe are subject to analysis related to their individual total scope 1 &amp; 2 carbon emissions. The sources of information used to perform the analysis include Schroders' proprietary sustainability tools and third-party data.</p> <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schroders in-house ESG data tools. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile. Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.</p> <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.</p> <p>More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> <li>- 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</li> <li>- 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,</li> </ul> |
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|   |  | <p>held in the Fund's portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p>   |
| <p><b>European Special Situations</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests in a select portfolio of securities in special situations, where the Investment Manager believes a special situation to be a company whose future prospects are not fully reflected in its valuation.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests in a select portfolio of securities in special situations, where the Investment Manager believes a special situation to be a company whose future prospects are not fully reflected in its valuation.</p> <p>The Fund maintains a higher overall sustainability score than MSCI Europe Net TR index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> |

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|   |   | <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>Companies held by the Fund are expected to show a commitment to their stakeholders, including customers, employees, suppliers and regulators. The Fund invests in those companies which consider stakeholders fairly and have good governance.</p> <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. The Investment Manager performs its own due diligence on all potential holdings including, where possible, meetings with senior management.</p> <p>This analysis is supported by quantitative analysis gained from Schrodgers' proprietary sustainability tools. Such are key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above. The Investment Manager aims to ensure that at least 75% of the Fund's individual holdings have a positive sustainability score relative to the benchmark stated in the investment policy.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities issued by European companies.</p> |
| <p><b>European Sustainable Equity</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.</p> <p>The Fund maintains a higher overall sustainability score than MSCI Europe (Net TR) index, based on the Investment Manager's rating system. More</p>  |

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|  | <p>The Investment Manager believes that companies demonstrating positive sustainability characteristics, such as managing the business for the long-term, recognising its responsibilities to its customers, employees and suppliers, and respecting the environment, are better-placed to maintain their growth and returns over the long term.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <p>details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc..">www.schroders.com/en/lu/private-investor/gfc..</a></p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash. The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schroders' proprietary sustainability tools in-house ESG data tools. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile. Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.</p> <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.</p> |
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|  |  | <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities issued by European companies.</p>  |
| <p><b>Global Climate Change Equity</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from efforts to accommodate or limit the impact of global climate change.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.</p> <p>The Investment Manager believes that companies that recognise the threats and embrace the challenges early, or that form part of the solution to the problems linked to climate change, will ultimately benefit from long term structural growth which is underappreciated by the market. We expect these companies to outperform once the market recognises these stronger earnings growth dynamics.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from efforts to accommodate or limit the impact of global climate change and which meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.</p> <p>The Fund maintains a higher overall level of avoided emissions than MSCI World (Net TR) index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions,</p> |

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|  |  | <p>industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>When assessing the significance of climate change on the long-term business outlook for a company, a company is assessed on a number of factors which include but are not limited to:</p> <p>If the company has significant direct industry exposure to climate change trends (mitigation – reducing greenhouse gas emissions through energy efficiency, renewable power, and cleaner vehicles; or adaptation - those that are preparing for the impacts of climate change, for example water stress, coastal flooding, community health issues, or supply chain disruptions, among other issues).</p> <p>The proportion of business segments that are potentially exposed to climate change trends.</p> <p>If the company has significant investment and research and development spending related to the transition to a lower carbon economy.</p> <p>A product portfolio that takes into account the physical and transition risks posed by climate change.</p> <p>The impact on the company of rising carbon costs in the context of its industry and competitive environment.</p> <p>The Investment Manager will then decide on a case by case basis whether a company is eligible for inclusion in the Fund's investment universe, based on this assessment. In addition, the Investment Manager's ESG analysis seeks to evaluate the materiality and impact of a range of ESG factors on the sustainability of future earnings growth and as potential risk factors that may affect a company's valuation. The Investment Manager's decision will focus on ratings in the areas that are most relevant to the particular business of that company.</p> <p>The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. The research draws information from a wide variety of publicly available corporate information and company meetings, broker reports and outputs from industry bodies, research organisations, think</p> |
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|                                    |  | <p>tanks, legislators, consultants, NGOs and academics. Third party research is used as a secondary consideration, and generally provides a source of challenge or endorsement for the Investment Manager’s proprietary view.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund’s portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund’s potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.</p>  |
| <p><b>Global Credit Income</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide income and capital growth by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- in excess of 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor’s or any equivalent grade of other credit rating agencies for rated bonds and implied Schrodgers ratings for non-rated bonds);</li> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities;</li> <li>- up to 10% of its assets in convertible bonds (including contingent convertible bonds); and</li> <li>- up to 10% of its assets in open-ended Investment Funds.</li> </ul> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide income and capital growth by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- in excess of 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor’s or any equivalent grade of other credit rating agencies for rated bonds and implied Schrodgers ratings for non-rated bonds);</li> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities;</li> <li>- up to 10% of its assets in convertible bonds (including contingent convertible bonds); and</li> <li>- up to 10% of its assets in open-ended Investment Funds.</li> </ul> <p>The Investment Manager aims to mitigate losses by diversifying the Fund’s asset allocation away from areas of the market identified as having a high risk of material negative return.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions,</p> |

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|  | <p>The Investment Manager aims to mitigate losses by diversifying the Fund’s asset allocation away from areas of the market identified as having a high risk of material negative return.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <p>industries or currencies, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than Bloomberg Barclays Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager’s rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability Information” on the Fund’s webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:</p> <ul style="list-style-type: none"> <li>• The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.</li> <li>• The inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager’s sustainability rating methodology.</li> </ul> <p>The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.</p> <p>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 publically available information provided by the companies, including information provided in company sustainability reports and other relevant company material.</p> <p>More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-">www.schroders.com/en/lu/private-</a></p> |
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|   |   | <p>investor/strategic-capabilities/sustainability/disclosures.</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> <li>- 90% of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and</li> <li>- 75% of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,</li> </ul> <p>held in the Fund's portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p>  |
| <p><b>Global Credit Income Short Duration</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to reduce interest rate risk (as defined by duration) by focussing on fixed and floating rate securities with a duration of less than four years.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries. The Fund's strategy will have an overall duration of less than four years but this does not preclude the fund from investing in securities with a duration above four years. The Investment Manager believes the short duration strategy should limit the overall level of interest rate risk.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- in excess of 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied</li> </ul> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to reduce interest rate risk (as defined by duration) by focussing on fixed and floating rate securities with a duration of less than four years.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries. The Fund's strategy will have an overall duration of less than four years but this does not preclude the fund from investing in securities with a duration above four years. The Investment Manager believes the short duration strategy should limit the overall level of interest rate risk.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- in excess of 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schrodgers ratings for non-rated bonds);</li> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities;</li> </ul> |

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|  | <p>Schroders ratings for non-rated bonds);</p> <ul style="list-style-type: none"> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities;</li> <li>- up to 10% of its assets in convertible bonds (including contingent convertible bonds); and</li> <li>- up to 10% of its assets in open-ended Investment Funds.</li> </ul> <p>The Investment Manager also aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return or principal risk.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <ul style="list-style-type: none"> <li>- up to 10% of its assets in convertible bonds (including contingent convertible bonds); and</li> <li>- up to 10% of its assets in open-ended Investment Funds.</li> </ul> <p>The Investment Manager also aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return or principal risk.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than Bloomberg Barclays Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers listed on the website <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:</p> <ul style="list-style-type: none"> <li>• The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.</li> <li>• The inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager's sustainability rating methodology.</li> </ul> <p>The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.</p> |
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| <p><b>Global Sustainable Convertible Bond</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in convertible securities issued by companies worldwide which meet the Investment Manager’s sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities issued by companies worldwide. The Fund may also invest in equity and equity related securities of companies worldwide.</p> <p>Convertible bonds are typically corporate bonds that can be converted into equities at a given price. As such, the manager believes investors can gain exposure to global equity markets with the defensive</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in convertible securities issued by companies worldwide which meet the Investment Manager’s sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities issued by companies worldwide. The Fund may also invest in equity and equity related securities of companies worldwide.</p> <p>Convertible bonds are typically corporate bonds that can be converted into equities at a given price. As such, the Investment Manager believes investors can gain exposure to global equity markets with the defensive benefits and less volatile characteristics of a bond investment.</p>  |

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|  | <p>benefits and less volatile characteristics of a bond investment.</p> <p>The Fund may invest in excess of 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for nonrated bonds).</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <p>The Fund may invest in excess of 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for nonrated bonds).</p> <p>The Fund maintains a higher overall sustainability score than Thomson Reuters Global, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a></p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>The Investment Manager applies a best in class approach – a company is given a rating based on a variety of ESG criteria using a proprietary tool.</p> <p>The lowest scoring 20% of companies are excluded.</p> <p>Fund holdings will mainly be allocated to companies with ESG scores within the 60% to 100% quintiles, unless there are compelling reasons to include companies which fall outside these quintiles. The sustainability characteristics</p> |
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|                                   |   | <p>of a company can also impact the sizing of positions in the Fund.</p> <p>The measures above aim to ensure that the Fund's portfolio has an overall ESG score of more than 50% at any time.</p> <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of convertible securities issued by companies worldwide. However, the universe (for the purpose of this test only) shall not include debt issued by public or quasi-public issuers.</p> |
| <p><b>Global Multi Credit</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the Bloomberg Barclays Multiverse (TR) ex Treasury A+ to B- USD Hedged index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in investment grade and sub-investment grade fixed and floating rate securities (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- in excess of 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied</li> </ul> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the Bloomberg Barclays Multiverse (TR) ex Treasury A+ to B- USD Hedged index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in investment grade and sub-investment grade fixed and floating rate securities (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- in excess of 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);</li> <li>- up to 20% of its assets in asset-backed and mortgage-backed securities; and</li> </ul>   |

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|  | <p>Schroders ratings for non-rated bonds);</p> <ul style="list-style-type: none"> <li>- up to 20% of its assets in asset-backed and mortgage-backed securities; and</li> <li>- up to 30% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds (CoCos).</li> </ul> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>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.</p> | <ul style="list-style-type: none"> <li>- up to 30% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds (CoCos).</li> </ul> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>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.</p> <p>The Fund maintains a higher overall sustainability score than Bloomberg Barclays Multiverse (TR) ex Treasury A+ to B- index, USD Hedged, based on the Investment Manager’s rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers listed on the website <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:</p> <ul style="list-style-type: none"> <li>• The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.</li> <li>• The inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager’s sustainability rating methodology.</li> </ul> <p>The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.</p> <p>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</p> |
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|   |  | <p>analysis of publically available information provided by the companies, including information provided in company sustainability reports and other relevant company material.</p> <p>More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> <li>- 90% of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and</li> <li>- 75% of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,</li> </ul> <p>held in the Fund’s portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p> |
| <p><b>Global Sustainable Growth</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which meet the Investment Manager’s sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.</p> <p>The Investment Manager believes that companies demonstrating positive sustainability characteristics, such as managing the business for the long-term, recognising its responsibilities to its customers, employees and suppliers, and respecting the environment, are better-placed to maintain their growth and returns over the long term. In addition, the Investment Manager believes that when aligned with other drivers of growth, this can result in stronger</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which meet the Investment Manager’s sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.</p> <p>The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager’s rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section. The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability Information” on the Fund’s webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website.</p> <p>The Fund invests in companies that have good governance practices, as determined by the</p>  |

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|  | <p>earnings growth which is often under appreciated by the market.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p>Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>Companies are assessed and rated against a set of questions covering issues such as respect for the environment; fair and equitable treatment of employees, suppliers and customers; corporate citizenship; capital allocation and governance.</p> <p>The Investment Manager will decide on a case by case basis whether a company is eligible for inclusion in the investible universe, taking into account these ratings. While all companies are assessed against all questions, the Investment Manager's decision will focus on those areas that are most relevant to the particular business of that company. In these areas, the company should generally be appraised as at least "strong" in order to be accepted into the investible universe. The eligibility of each company in the Fund's portfolio is then reviewed at least annually.</p> <p>The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools, third-party research, unconventional data sourced by our Data Insights Unit, NGO reports and expert networks. The Investment Manager also scrutinises company sustainability reports and other disclosures, which may be complemented by direct engagement with the company during the assessment process.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20%</p> |
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|                               |   | <p>of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.</p>   |
| <p><b>Japanese Equity</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section index (TOPIX) (TR) after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section index (TOPIX) (TR) after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than the Tokyo Stock Exchange 1st Section index (TOPIX) (Net TR), based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.</p> <p>The Investment Manager performs due diligence on all potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which</p> |

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|                              |   | <p>are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund’s sustainability criteria. In some cases, companies which fall below our sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet our sustainability criteria within a realistic time horizon.</p> <p>For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.</p> <p>More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> <li>- 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</li> <li>- 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,</li> </ul> <p>held in the Fund’s portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p> |
| <p><b>QEP Global ESG</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide which meet the Investment Manager’s sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of</p>   |

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|  | <p>related securities of companies worldwide.</p> <p>The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength and governance. Companies will also be assessed on their environmental and social impact as well as the strength of their corporate governance.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p>equity and equity-related securities of companies worldwide.</p> <p>The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength and governance</p> <p>The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will then decide whether a company is eligible for inclusion in the Fund, based on its sustainability profile. The</p> |
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|  |   | <p>sustainability characteristics of a company can also impact the sizing of positions in the Fund.</p> <p>Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy.</p> <p>The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.</p> |
| <p><b>QEP Global ESG ex Fossil Fuels</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI AC World ex Energy (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide, excluding companies that derive any revenues from fossil fuels and excluding companies with fossil fuel reserves.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide, excluding companies that derive any revenues from fossil fuels (including but not limited to fossil fuel production, refining and transportation) and companies with fossil fuel reserves</p> <p>The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI AC World ex Energy (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria, excluding companies that derive any revenues from fossil fuels and excluding companies with fossil fuel reserves.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide, excluding companies that derive any revenues from fossil fuels (including but not limited to fossil fuel production, refining and transportation and power generation) and companies with fossil fuel reserves</p> <p>The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a</p>  |

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|  | <p>believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength and governance.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value will be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <p>company's profitability, stability, financial strength and governance.</p> <p>The Fund maintains a higher overall sustainability score than MSCI AC World ex Energy (Net TR) index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc.on">www.schroders.com/en/lu/private-investor/gfc.on</a> the website which includes companies that generate any revenue from fossil fuel.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures..">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures..</a></p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will then decide whether a company is eligible for inclusion in the Fund, based on its sustainability profile. The sustainability characteristics of a company can also impact the sizing of positions in the Fund.</p> <p>Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as</p> |
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|                               |   | <p>business involvement, safety, employee welfare, supply chain management and data privacy.</p> <p>The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.</p>   |
| <p><b>QEP Global Core</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.</p> <p>The Fund's weight in a single country, region or sector will typically be within 3% of the target index whilst the weight of each security will typically be within 0.75% of the benchmark.</p> <p>The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength and governance.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.</p> <p>The Fund's weight in a single country, region or sector will typically be within 3% of the target index whilst the weight of each security will typically be within 0.75% of the benchmark.</p> <p>The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength and governance.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> |

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|  | <p>composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p>The Fund maintains a higher overall sustainability score than MSCI World (Net TR) index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will take into account an assessment of the sustainability profile of companies when determining position sizing within the portfolio.</p> <p>Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy.</p> <p>The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.</p> <p>More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> <li>- 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</li> <li>- 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,</li> </ul> <p>held in the Fund's portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p> |
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| <p><b>QEP Global Quality</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.</p> <p>The Fund focuses on companies that have certain "Quality" characteristics. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength and governance.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.</p> <p>The Fund focuses on companies that have certain "Quality" characteristics. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength and governance.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will take into account an assessment of the sustainability profile of companies when determining position sizing within the portfolio.</p> <p>Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy.</p> <p>The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.</p> |
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|                                       |  | <p>More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> <li>- 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</li> <li>- 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,</li> </ul> <p>held in the Fund’s portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p> |
| <p><b>Sustainable EURO Credit</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the ICE Bank of America Merrill Lynch Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.</p> <p>The Investment Manager believes that companies demonstrating positive sustainability characteristics, such as managing the business for the long term, recognising its responsibilities to its customers, employees and suppliers, and respecting the environment, are better placed to maintain their growth over the long term.</p> <p>The Fund applies a screen to exclude from the investment universe issuers that generate material revenue from the</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of the ICE Bank of America Merrill Lynch Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide, which meet the Investment Manager’s sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.</p> <p>In security analysis, the Fund compares issuers in the context of their sector and country peers.</p> <p>The Fund maintains a higher overall sustainability score than ICE Bank of America Merrill Lynch Euro Corporate index, based on the Investment Manager’s rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund invests at least 10% of its assets in green, social and/or sustainable bonds (please see the Fund Characteristics section for more details).</p>           |

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|  | <p>production of certain products and services that are held to have a negative effect on the environment and society.</p> <p>The Fund is managed with reference to material environmental, social and governance considerations. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>In security analysis, the Fund compares issuers in the context of their sector and country peers. The Fund also takes a forward-looking approach, combining sustainability and financial research with bond issuer engagement to identify improving and deteriorating sustainability characteristics and encourage improved characteristics.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- up to 30% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);</li> <li>- up to 20% of its assets in sovereign government bonds;</li> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and</li> <li>- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.</li> </ul> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.on the website.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- up to 30% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);</li> <li>- up to 20% of its assets in sovereign government bonds;</li> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and</li> <li>- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.</li> </ul> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>The strategy applies screens to combine best-in-class companies with investments in issuers demonstrating good or improving sustainability credentials. This is achieved by:</p> <ul style="list-style-type: none"> <li>• The exclusion of issuers that the Investment Manager deems to have businesses that are environmentally destructive, socially costly,</li> </ul> |
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|  |  | <p>violate human rights and/or have demonstrated gross misconduct.</p> <ul style="list-style-type: none"> <li>• The inclusion of issuers that demonstrate stable and improving sustainability trajectories relative to their industry peers. As part of the selection process, the Investment Manager also considers companies' commitment to sustainable themes such as responsible finance, waste management, climate change mitigation, education, health and wellbeing, and circular packaging.</li> </ul> <p>The selection of green, social and sustainable bonds entails assessing the overall sustainability of the issuer, analysing the use of proceeds and the expected impact on the bond's objectives. A green bond is a fixed or floating rate security that finances an environmental objective. A social bond is a fixed or floating rate security that finances a social objective. A sustainable bond is a fixed or floating rate security that finances both environmental and social objectives.</p> <p>The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.</p> <p>The primary sources of information used to perform the analysis are Schrodgers' proprietary sustainability tools and research, and the Investment Manager's third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of fixed and floating rate securities denominated in various currencies and issued by companies worldwide. The universe (for the purpose of this test only) does not include fixed or floating rate securities issued by public or quasi-public issuers.</p> |
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| <p><b>Sustainable European Market Neutral</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide a positive return after fees have been deducted over a three year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies. The Fund may (exceptionally) hold up to 100% of its assets in Money Market Investments or cash. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.</p> <p>The Fund adopts a Market Neutral strategy which aims to deliver returns that are not closely correlated to returns of the European equity markets.</p> <p>The Investment Manager believes that companies demonstrating positive sustainability characteristics, such as managing the business for the long term, recognising its responsibilities to its customers, employees and suppliers, and respecting the environment, are better-placed to maintain their growth and returns over the long term. The Investment Manager seeks to embed the impact of a company's activities on society and the quality of its relationship with its stakeholders in its valuation assessment.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, and warrants.</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses contracts for difference, the underlying consists of</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide a positive return after fees have been deducted over a three year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies. The Fund may (exceptionally) hold up to 100% of its assets in Money Market Investments or cash. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.</p> <p>The Fund adopts a Market Neutral strategy which aims to deliver returns that are not closely correlated to returns of the European equity markets.</p> <p>The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website [<a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>].</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, and warrants.</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy.</p> |
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|  | <p>instruments in which the Fund may invest according to its Investment Objective and Investment Policy. Contracts for difference may be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 250% and is expected to remain within the range of 0% to 230% of the Net Asset Value. In certain circumstances this proportion may be higher.</p> | <p>Contracts for difference may be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 250% and is expected to remain within the range of 0% to 230% of the Net Asset Value. In certain circumstances this proportion may be higher.</p> <p>The Investment Manager will only use derivatives (including short positions) in a way that is consistent with the Fund's sustainability criteria (please see the Fund Characteristics section for more details).</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>The Investment Manager targets long positions in companies that have a positive impact on society and/or demonstrate best in class corporate behaviours, and short positions in companies that are having a negative impact on society and/or demonstrate poor corporate behaviours.</p> <p>Corporate behaviours are assessed based on a company's relationship with its key stakeholders, specifically employees, regulators, customers, suppliers and local communities. This is combined with an assessment of governance, management quality and environmental impact. Impact on society is assessed using a proprietary tool which rates a company's overall performance on sustainability issues. This analysis provides the Investment Manager with a framework to examine a company's overall sustainability profile and identify those companies with high standards of corporate behaviours and a positive impact on society relative to peers.</p> <p>The Investment Manager also seeks to ensure that the portfolio is low carbon by assessing issuers' carbon emissions and carbon intensity levels.</p> <p>The primary inputs into the investment process are internal bottom-up fundamental research, Schroders' proprietary sustainability tools and third party ESG research.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of</p> |
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|                                |  | the Investment Objective and Policy. This universe is comprised of equity and equity related securities of European companies.   |
| <b>Sustainable Multi-Asset</b> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of 50% MSCI World EUR Hedged and 30% FTSE World Government Bond Index EUR Hedged and 20% Bloomberg Barclays Global Aggregate Corporate Index EUR Hedged after fees have been deducted over a five to seven year period by investing in a diversified range of assets and markets worldwide that meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly through derivatives in equity and equity related securities, fixed income securities and Alternative Asset Classes. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.</p> <p>The Investment Manager believes that companies demonstrating positive sustainability characteristics, such as managing the business for the long-term, recognising its responsibilities to its customers, employees and suppliers, and respecting the environment, are better placed to maintain their growth and returns over the long term.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund aims to achieve its target return in excess of 50% MSCI World EUR Hedged and 30% FTSE World Government Bond Index EUR Hedged and 20% Bloomberg Barclays Global Aggregate Corporate Index EUR Hedged over a five to seven year period with approximately two thirds of the level of global equity market volatility (a measure of how much the Fund's returns may vary) over the same period.</p> <p>The Fund may use derivatives (including total return swaps), long and short, with</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth and income in excess of 50% MSCI World EUR Hedged and 30% FTSE World Government Bond Index EUR Hedged and 20% Bloomberg Barclays Global Aggregate Corporate Index EUR Hedged after fees have been deducted over a five to seven year period by investing in a diversified range of assets and markets worldwide that meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly through derivatives in equity and equity related securities, fixed income securities and Alternative Asset Classes. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.</p> <p>The Fund maintains a higher overall sustainability score than 50% MSCI World EUR Hedged and 30% FTSE World Government Bond Index EUR Hedged and 20% Bloomberg Barclays Global Aggregate Corporate Index EUR Hedged, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc.on">www.schroders.com/en/lu/private-investor/gfc.on</a> the website.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund aims to achieve its target return in excess of 50% MSCI World EUR Hedged and 30% FTSE World Government Bond Index EUR Hedged and 20% Bloomberg Barclays Global Aggregate Corporate Index EUR Hedged over a five to seven year period with approximately two thirds of the</p> |

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|  | <p>the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 30% of the Net Asset Value. Due to short-term market movements, this proportion may be higher at times.</p> <p>The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may also invest up to 10% of its assets in open-ended Investment Funds.</p> | <p>level of global equity market volatility (a measure of how much the Fund's returns may vary) over the same period.</p> <p>The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 30% of the Net Asset Value. Due to short-term market movements, this proportion may be higher at times.</p> <p>The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may also invest up to 10% of its assets in open-ended Investment Funds.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund. The Investment Manager uses both negative and positive screening.</p> <p>Firstly, a company is given an ESG score, which takes into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account this ESG score and will generally exclude companies with the lowest scores across each industrial group. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund.</p> <p>Within the Fund's investment universe established by this screening, the Investment Manager will assess companies against a variety of environmental and social metrics, and may then select investments based on which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.</p> <p>The sources of information used to perform the analysis include information provided by the</p> |
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|  |  | <p>companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities and fixed income securities issued by companies worldwide and Alternative Asset Classes. However, the universe (for the purpose of this test only) shall not include fixed income securities issued by public or quasi-public issuers.</p>   |
| <p><b>Sustainable Multi-Asset Income</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide an income of 3-5% per year by investing in a diversified range of assets and markets worldwide which meet the Investment Manager's sustainability criteria. This is not guaranteed and could change depending on market conditions.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly through derivatives in equity and equity-related securities, fixed income securities and Alternative Asset Classes. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- up to 50% of its assets in below investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies) and unrated securities.</li> <li>- in excess of 50% of its assets in emerging market debt (fixed and floating rate) securities.</li> </ul> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide an income of 3-5% per year by investing in a diversified range of assets and markets worldwide which meet the Investment Manager's sustainability criteria. This is not guaranteed and could change depending on market conditions.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly through derivatives in equity and equity-related securities, fixed income securities and Alternative Asset Classes. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> <li>- up to 50% of its assets in below investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies) and unrated securities.</li> <li>- in excess of 50% of its assets in emerging market debt (fixed and floating rate) securities.</li> <li>- up to 20% of its assets in asset-backed securities and mortgage-backed securities</li> </ul> <p>The Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (hedged to EUR), 40% Barclays Global Aggregate Corporate Bond Index (hedged to EUR) and 30% Barclays Global High Yield excl CMBS &amp; EMG 2% (hedged to</p> |

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|  | <p>– up to 20% of its assets in asset-backed securities and mortgage-backed securities</p> <p>The Investment Manager believes that companies demonstrating positive sustainability characteristics, such as managing the business for the long-term, recognising its responsibilities to its customers, employees and suppliers, and respecting the environment, are better placed to maintain their growth and returns over the long term.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund aims to provide a risk profile comparable to a portfolio of 30% equities and 70% fixed income.</p> <p>The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.</p> <p>The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may also invest up to 10% of its assets in open-ended Investment Funds.</p> | <p>EUR), based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a></p> <p>The Fund aims to provide a risk profile comparable to a portfolio of 30% equities and 70% fixed income.</p> <p>The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.</p> <p>The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may also invest up to 10% of its assets in open-ended Investment Funds.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund. The Investment Manager uses both negative and positive screening.</p> |
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|   |   | <p>Firstly, a company is given an ESG score, which takes into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account this ESG score and will generally exclude companies with the lowest scores across each industrial group. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund.</p> <p>Within the Fund's investment universe established by this screening, the Investment Manager will assess companies against a variety of environmental and social metrics and may then select investments based on which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.</p> <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schrodgers' proprietary sustainability tools and third-party data.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities and fixed income securities issued by companies worldwide and Alternative Asset Classes. However, the universe (for the purpose of this test only) shall not include debt issued by public or quasi-public issuers.</p> |
| <p><b>Sustainable Multi-Factor Equity</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two thirds of its assets in equity</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide which meet the Investment Managers sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two thirds of its assets in equity and equity-related</p>   |

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|  | <p>and equity-related securities of companies worldwide that the Investment Manager believes are sustainable investments and which also focus on a range of equity factors (also commonly known as investment styles). Companies will be simultaneously assessed on these equity factors using a fully integrated systematic, bottom-up investment approach.</p> <p>Relevant equity factors may include the following:</p> <ul style="list-style-type: none"> <li>- Low volatility – involves evaluating indicators such as share price movement and historical performance to determine those securities that the Investment Manager believes will experience smaller price movements than the global equity markets on average.</li> <li>- Momentum – involves evaluating trends in stocks, sectors or countries within the relevant equity market.</li> <li>- Quality – involves evaluating indicators such as a company’s profitability, stability and financial strength.</li> <li>- Value – involves evaluating indicators such as cash flows, dividends and earnings to identify securities that the Investment Manager believes have been undervalued by the market.</li> <li>- Small cap – involves investing in small-sized companies being companies that, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the global equity market and exhibit attractive characteristics based on the styles described above.</li> </ul> <p>The Fund uses a systematic optimiser, which scores all companies in a broad universe, including the MSCI AC World (Net TR) index, against the above equity factors and the sustainable risk factors described below to create a portfolio of typically 300 – 400 securities. The systematic optimisation process seeks to maximise the Fund’s expected exposure to the aggregated score against the equity factors, subject to consideration of active risk and transaction costs, while applying additional controls to manage concentration risk across securities, sectors and industries, and unexpected bias towards or away from the benchmark. The Investment Manager reviews the systematic output and adjusts</p> | <p>securities of companies worldwide that meet the Investment Manager’s sustainability criteria and which also focus on a range of equity factors (also commonly known as investment styles). Companies will be simultaneously assessed on these equity factors using a fully integrated systematic, bottom-up investment approach.</p> <p>Relevant equity factors may include the following:</p> <ul style="list-style-type: none"> <li>- Low volatility – involves evaluating indicators such as share price movement and historical performance to determine those securities that the Investment Manager believes will experience smaller price movements than the global equity markets on average.</li> <li>- Momentum – involves evaluating trends in stocks, sectors or countries within the relevant equity market.</li> <li>- Quality – involves evaluating indicators such as a company’s profitability, stability and financial strength.</li> <li>- Value – involves evaluating indicators such as cash flows, dividends and earnings to identify securities that the Investment Manager believes have been undervalued by the market.</li> <li>- Small cap – involves investing in small-sized companies being companies that, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the global equity market and exhibit attractive characteristics based on the styles described above.</li> <li>- Sustainability – involves evaluating challenges and opportunities companies face from social, environmental and governance considerations.</li> </ul> <p>The Fund follows a systematic approach, which scores all companies in a broad universe, including the MSCI AC World (Net TR) index, against the above equity factors to create a portfolio of typically 300 – 400 securities. The systematic process seeks to maximise the Fund’s expected exposure to the aggregated score against the equity factors, subject to consideration of active risk and transaction costs, while applying additional controls to manage concentration risk across securities, sectors and industries, and unexpected bias towards or away from the benchmark. The Investment Manager reviews the systematic output on a regular basis and adjusts to ensure that the desired risk characteristics have been delivered and that the portfolio is appropriate against the equity factors.</p> <p>The Fund maintains i) a higher overall sustainability score; and ii) at least a 50% lower</p> |
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|  | <p>to ensure that the desired risk characteristics have been delivered and that the portfolio is appropriate against the equity factors. The Fund is rebalanced on a monthly basis.</p> <p>Sustainability will be assessed using a quantitative framework against which certain sustainable risk factors are assessed such as the strength of environmental practices, climate change impact, responsible employment practices, and sensitivity towards the communities in which the companies operate. Low sustainability scores will not necessarily result in a company being excluded from the evaluation process but rather contribute to the overall evaluation of that company.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p>carbon intensity score, relative to the MSCI AC World (Net TR) index, based on the Investment Manager’s rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability Information” on the Fund’s webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager’s rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>The Investment Manager generally excludes companies with some exposure to business segments it views as harmful to society, such as tobacco, gambling and weapons. To reduce the Fund’s carbon risk, the Investment Manager also generally excludes companies with some exposure to thermal coal and oil from tar sands.</p> <p>The Investment Manager also uses a quantitative assessment to identify companies with sustainable business practices. Sustainability is assessed by considering the overall environmental and social benefits and costs of a company’s operations and the strength of its governance practices.</p> |
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|  |  | <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. The Fund's sustainability criteria ensures that the portfolio's overall sustainability profile is improved when compared to the Fund's benchmark. For example, in terms of carbon intensity, the Fund's overall carbon intensity will be at least 50% lower than that of the Fund's benchmark.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.</p>   |
| <p><b>Sustainable Swiss Equity</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the Swiss Performance Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Swiss companies which meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Swiss companies.</p> <p>The Investment Manager believes that companies demonstrating positive sustainability characteristics, such as managing the business for the long-term, recognising its responsibilities to its customers, employees and suppliers, and respecting the environment, are better placed to maintain their growth and returns over the long term.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth in excess of the Swiss Performance Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Swiss companies which meet the Investment Manager's sustainability criteria.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Swiss companies.</p> <p>The Fund maintains a higher overall sustainability score than the Swiss Leaders Index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's</p> |

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|  | <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> | <p>approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund. A company is assessed on a variety of ESG factors including how it treats its shareholders, governance, management quality and the environment, and a final overall ESG rating is allocated.</p> <p>The Investment Manager will consider these in determining whether a company is eligible for inclusion in the Fund’s portfolio, giving more weight to the overall ratings.</p> <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders’ proprietary sustainability tools and third-party data.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund’s portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund’s potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of Swiss companies.</p> |
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**Article 9 Funds**

| <b>Sub-Fund</b>                  | <b>Previous Investment Objective and Policy</b>  | <b>Enhanced Investment Objective and Policy and Sustainability Criteria</b>   |
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| <b>Global Cities Real Estate</b> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide income and capital growth in excess of the US</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide income and capital growth in excess of the US Consumer Price index</p> |

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|  | <p>Consumer Price index plus 3% after fees have been deducted over a three to five year period by investing in equity and equity related securities of real estate companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of real estate companies worldwide with a focus on companies that invest in cities that the Investment Manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p>plus 3% after fees have been deducted over a three to five year period by investing in equity and equity related securities of real estate companies worldwide which the Investment Manager deems to be sustainable investments.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least 75% of its assets in sustainable investments, which are investments that contribute towards more environmentally resilient and innovative cities and infrastructure (please see the Fund Characteristics section for more details).</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc.on">www.schroders.com/en/lu/private-investor/gfc.on</a> the website.</p> <p>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).</p> <p>The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund invests at least two-thirds of its assets in equity and equity related securities of real estate companies worldwide with a focus on companies that invest in cities that the Investment Manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> |
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|  |   | <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund. The investment universe is analysed in two distinct phases. Each phase leads to companies being excluded based on weak sustainability metrics:</p> <ul style="list-style-type: none"> <li>• Stage 1 analyses companies on a range of environmental and social metrics. Companies are then scored based on their exposure to the superior/ inferior locations. Companies in the bottom quartile are removed from the Fund's investment universe.</li> <li>• Stage 2 focusses on determining the quantum to be invested in each company, using both internal (i.e. Schroders' proprietary sustainability tools and external sustainability measurement tools. The analysis awards a sustainability score to each company. The process excludes the bottom quartile of companies (based on their sustainability score) from investment by the Fund.</li> </ul> <p>The Investment Manager may also engage with companies in the portfolio, which are expected to demonstrate a clear commitment to sustainability both in their relationships with stakeholders and in their efforts to mitigate their impact on the natural environment.</p> <p>The Investment Manager performs its analysis using its own research and Schroders' sustainable proprietary tools. Third party research is used as a secondary consideration and generally provides a source of challenge or endorsement for its proprietary view.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.</p> |
| <p><b>Global Energy Transition</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide that the manager believes are associated with the</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide that the Investment Manager believes are associated with the global</p>   |

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|  | <p>global transition towards lower-carbon sources of energy.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and may invest at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide that the Investment Manager believes are associated with the global transition towards lower-carbon sources of energy, such as lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies.</p> <p>The Fund typically holds fewer than 60 companies.</p> <p>The Fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p>transition towards lower-carbon sources of energy and which the Investment Manager deems to be sustainable investments.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and may invest at least 75% of its assets in sustainable investments, which are investments that contribute towards the global transition towards lower-carbon sources of energy, such as lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies.</p> <p>The Fund will only invest in companies that generate at least 50% of their revenue from activities contributing to the transition, or those which play critical roles in the transition and are increasing their exposure to such activities. Please see the Fund Characteristics section for more details.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website which includes companies that generate any revenue from fossil fuel and nuclear power.</p> <p>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).</p> <p>The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> <p>The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide. The Fund typically holds fewer than 60 companies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds,</p> |
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|  |  | <p>warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>Companies are assessed against eight ESG criteria: (1) management quality; (2) balance sheet sustainability; (3) corporate governance; (4) regulatory risk management; (5) supply chain management; (6) customer management; (7) employee management; and (8) environmental management. The company will receive an overall score out of ten and is placed within one of the following categories based on this score:</p> <ul style="list-style-type: none"> <li>• ‘Lagging’ (score of 1 – 3): Companies that show poor corporate governance, unconvincing management, weak balance sheets, poor stakeholder relations, and fail to demonstrate an awareness of ESG issues they face.</li> <li>• ‘Neutral’ (score of 4 – 6): Companies that show adequate corporate governance, suitable management, reasonably robust balance sheets, have reasonable relationships with stakeholders and some awareness of ESG issues. These companies do not exhibit ESG risks necessarily, but at the same time are not best in class companies with the potential to maintain market leading growth.</li> <li>• ‘Best-in-class’ (score of 7 – 10): Companies that have strong corporate governance, quality management, strong balance sheets, good relationships with stakeholders and a good awareness and management of ESG issues. These companies should be able to attract the best employees, to continue to lead the industry in terms of productivity, have strong supply chain links, acting as the ‘supplier of choice’ for customers, and are mindful of their environmental impact.</li> </ul> <p>The Fund will generally only invest in companies that are rated as ‘neutral’ or ‘best-in-class’.</p> <p>The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. Third party research is used by the team as a secondary consideration, and generally provides a source of challenge or endorsement for their own view.</p> |
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|                                     |   | <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. The Fund will invest at least 75% of its assets in companies that generate at least 50% of their revenue from activities supporting the energy and ecological transition.</p>   |
| <p><b>Healthcare Innovation</b></p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in equity and equity related securities of healthcare and medical related companies worldwide.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide, which are engaged in healthcare provision, medical services and related products.</p> <p>The Investment Manager believes the Fund is positioned to benefit from the structural growth in demand for healthcare provision and medical treatments, supported by demographic trends, improving standards of living and technological advancements.</p> <p>The Fund will invest in areas such as biotechnology, generics drug manufacture and supply, pharmaceuticals, health insurance and hospital supplies.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> | <p><b>Investment Objective</b></p> <p>The Fund aims to provide capital growth by investing in equity and equity related securities of healthcare and medical related companies worldwide which the Investment Manager deems to be sustainable investments.</p> <p><b>Investment Policy</b></p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide, which are engaged in healthcare provision, medical services and related products.</p> <p>The Fund invests at least 75% of its assets in sustainable investments, which are investments in companies that contribute towards the advancement of one or more of the UN SDGs by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach (please see the Fund Characteristics section for more details).</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a> on the website.</p> <p>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).</p> <p>The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</p> |

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|  |  | <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><b>Sustainability Criteria</b></p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>The Investment Manager selects companies that are engaged in healthcare provision, medical services and related products, including in areas such as biotechnology, generics drug manufacture and supply, pharmaceuticals, health insurance and hospital supplies. Investment ideas are identified using proprietary fundamental stock analysis and top down assessment of the thematic drivers affecting healthcare demand and provision. The Investment Manager's analysis seeks to identify companies that are well placed to develop products or services that address both the rising demand for healthcare and the need to ensure that healthcare systems are more efficiently managed to ease rising cost pressures.</p> <p>The Investment Manager also uses a proprietary tool to assess the ESG performance of companies before they are selected for the Fund's portfolio. Individual names with poor ESG performance may be included in the portfolio if the Investment Manager believes that a company is on track to improve its ESG performance.</p> <p>Other sources of information are also used for this analysis including information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' other proprietary tools and third-party data.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.</p> |
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## **Article 6 Funds**

The funds that fall under the scope of Article 6 of SFDR and for which references to material environmental, social and governance factors have been removed from their investment policies are the following:

- Schroder International Selection Fund BRIC (Brazil, Russia, India, China)
- Schroder International Selection Fund Emerging Europe
- Schroder International Selection Fund Emerging Markets Value
- Schroder International Selection Fund Emerging Markets
- Schroder International Selection Fund European Equity Yield
- Schroder International Selection Fund European Value
- Schroder International Selection Fund Frontier Markets Equity
- Schroder International Selection Fund Global Dividend Maximiser
- Schroder International Selection Fund Global Emerging Market Opportunities
- Schroder International Selection Fund Global Emerging Markets Smaller Companies
- Schroder International Selection Fund Global Equity
- Schroder International Selection Fund Global Equity Alpha
- Schroder International Selection Fund Global Equity Yield
- Schroder International Selection Fund Global Recovery
- Schroder International Selection Fund Latin American
- Schroder International Selection Fund Middle East
- Schroder International Selection Fund QEP Global Active Value
- Schroder International Selection Fund QEP Global Emerging Markets
- Schroder International Selection Fund QEP Global Equity Market Neutral
- Schroder International Selection Fund QEP Global Value Plus
- Schroder International Selection Fund Sustainable QEP Emerging Markets
- Schroder International Selection Fund Swiss Equity
- Schroder International Selection Fund Swiss Small & Mid Cap Equity
- Schroder International Selection Fund US Large Cap