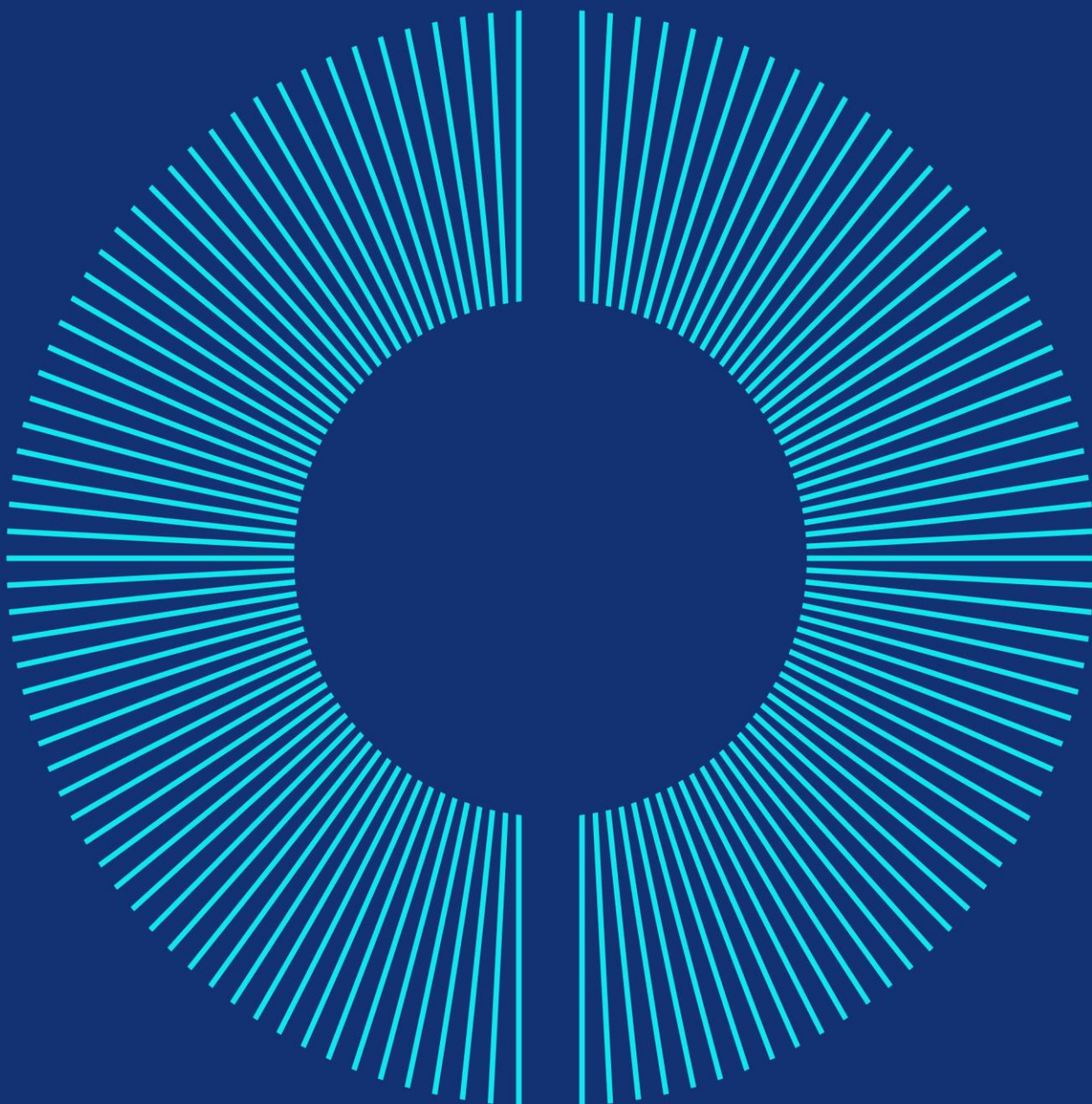


Schroder UK Equity Fund

Proposal for a Scheme of Arrangement to merge Schroder UK Equity Fund into Schroder UK Alpha Plus Fund



This document is important and requires your immediate attention

If there is anything in this document that you do not understand or if you are in any doubt as to what action to take, you should consult a professional adviser.

Notice of a meeting of Unitholders of Schroder UK Equity Fund (the "Meeting") is set out at the end of this document. The Meeting is to be held over Cisco WebEx virtual conferencing software at 09:00 GMT on 18 February 2022 (Meeting date). Should you wish to join the virtual meeting, the dial-in details can be obtained on request by emailing schrodersinvestor@hsbc.com.

You are requested to complete and return the enclosed form of proxy in accordance with the instructions printed on it, in the prepaid envelope provided, to arrive no later than 09:00 GMT on 16 February 2022.

If returning a form of proxy vote by post in the provided return envelope is not possible, we may accept a form of proxy received via email, provided it has been completed correctly. To facilitate this, the form of proxy must be sent to schroders@paragon-cc.com with a covering email stating that the sender accepts that they will be bound by the electronic form of proxy attached as though it had been delivered in hard copy in accordance with the circular. The sender must also state that they agree to sending a hard copy by post for our records as soon as reasonably possible.

If you require further information about the proposed Scheme of Arrangement please contact Schroder Investor Services (Tel. 0800 182 2399 or email schrodersinvestor@hsbc.com).

This document relates to the following unit classes of Schroder UK Equity Fund:

Fund Name	Class	Inc / Acc	Currency	ISIN	Sedol
Schroder UK Equity Fund	A	Accumulation	GBP	GB0007648784	0764878
Schroder UK Equity Fund	A	Income	GBP	GB0007648677	0764867
Schroder UK Equity Fund	I	Accumulation	GBP	GB00B82XNG94	B82XNG9
Schroder UK Equity Fund	S	Accumulation	GBP	GB00BGCC3D99	BGCC3D9
Schroder UK Equity Fund	S	Income	GBP	GB00BGCC3V71	BGCC3V7
Schroder UK Equity Fund	Z	Accumulation	GBP	GB00B3VQSZ80	B3VQSZ8
Schroder UK Equity Fund	Z	Income	GBP	GB00B44B2999	B44B299

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Glossary of Terms

Defined terms shall be as defined below or otherwise as defined in the Prospectus.

Accumulation Unit	a Unit, or New Unit that accumulates the income arising in respect of that Unit so that it is reflected in the value of that Unit;
COLL	the Collective Investment Schemes Sourcebook, as amended from time to time and forming part of the FCA Rules;
Effective Date	28 February 2022, assuming that Unitholder approval is obtained at the Meeting, or if such approval is not achieved then the date of any Unitholder approval at any subsequent reconvened Unitholder meeting, or such subsequent date and time as may be agreed in writing between the Trustee and the Manager;
Effective Time	12:01 GMT on the Effective Date;
Extraordinary Resolution	an extraordinary resolution of the Unitholders in Schroder UK Equity Fund required to approve the implementation of the Scheme;
FCA	the Financial Conduct Authority;
FCA Rules	the FCA's Handbook of Rules and Guidance;
Funds	Schroder UK Equity Fund and Schroder UK Alpha Plus Fund;
Income Unit	a Unit or New Unit that distributes its income;
Investment Manager	Schroder Investment Management Limited;
Letter	the letter from Paul Truscott, a director of Schroder Unit Trusts Limited, detailing information about the proposed merger;
Manager	Schroder Unit Trusts Limited, as manager of the Schroder UK Equity Fund, and Schroder UK Alpha Plus Fund;
Meeting	the extraordinary general meeting of Unitholders in Schroder UK Equity Fund to be held at 09:00 GMT on 18 February 2022;
Merger	the merger of the Merging Fund into the Receiving Fund;
Merging Fund	Schroder UK Equity Fund;
Merging Fund Prospectus	the prospectus of Schroder UK Equity Fund;
Merging Fund Value	the value of the property of Schroder UK Equity Fund (excluding the Retained Amount) calculated on a mid-market basis, in accordance with

	COLL and the Merging Fund Prospectus as at 12:00 GMT on the Effective Date;
New Units	New Units in Schroder UK Alpha Plus Fund to be issued to Unitholders following implementation of the merger of Schroder UK Equity Fund under the Scheme, and "New Income Units" and "New Accumulation Units" shall be interpreted accordingly;
Receiving Fund	Schroder UK Alpha Plus Fund;
Receiving Fund Prospectus	the prospectus of Schroder UK Alpha Plus Fund ;
Receiving Fund Value	the value of the property of Schroder UK Alpha Plus Fund calculated on a mid-market basis, in accordance with COLL and the Receiving Fund Prospectus as at 12:00 GMT on the Effective Date;
Retained Amount	a sum estimated by the Manager after consultation with the Trustee, to be necessary to meet all the actual and contingent liabilities of Schroder UK Equity Fund and which is to be retained by the Trustee as attributable to Schroder UK Alpha Plus Fund for the purpose of discharging such liabilities;
Scheme or Scheme of Arrangement	the scheme of arrangement for the merger of Schroder UK Equity Fund into Schroder UK Alpha Plus Fund as described in Appendix 3 to this document;
Trust Deed	the trust deed of Schroder UK Equity Fund;
Trustee	the trustee of Schroder UK Equity Fund, being J.P. Morgan Europe Limited, unless otherwise defined in this Letter;
UCITS	an "undertaking for collective investment in transferable securities" (a) established in an EEA State, within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive; or (b) established in an EEA state or the UK, within the meaning of section 236A of the Financial Services and Markets Act 2000, as amended;
Unit	a unit in Schroder UK Equity Fund; and
Unitholder	a holder of Units in Schroder UK Equity Fund.

Expected timetable for the proposed changes

Date at which investors must hold Units in order to be eligible to vote	12:00 GMT on 17 January 2022
Despatch circular to Unitholders	24 January 2022 (Mailing date)
Last date and time for receipt of forms of proxy	09:00 GMT on 16 February 2022
Meeting of Unitholders	09:00 GMT on 18 February 2022 (Meeting date)
Result of Extraordinary Resolution posted on website	By 21 February 2022

If the Extraordinary Resolution is passed

Last day and time by which valid instructions to buy or sell Units in Schroder UK Equity Fund may be received	12:00 GMT on 21 February 2022
Last dealing day for Units in Schroder UK Equity Fund	21 February 2022
Any required restructure of the portfolio of Schroder UK Equity Fund will begin	00:00 GMT on 23 February 2022
Valuation of the assets of Schroder UK Equity Fund	12:00 GMT on 28 February 2022
Effective Date and time of Merger	12:01 GMT on 28 February 2022
First dealing of New Units in Schroder UK Alpha Plus Fund	1 March 2022

Schroder Unit Trusts Limited

Registered No. 04191730

1 London Wall Place,
London, EC2Y 5AU

Telephone: 0800 182 2399 Fax: 0333 207 4504

Authorised and regulated by the Financial Conduct Authority

24 January 2022 (mailing date)

To the Unitholders of Schroder UK Equity Fund

Dear Unitholder

Proposed Scheme of Arrangement to merge Schroder UK Equity Fund into Schroder UK Alpha Plus Fund

We, Schroder Unit Trusts Limited, are writing to you as the Manager of Schroder UK Equity Fund to inform you of a proposal to merge Schroder UK Equity Fund (the Merging Fund) into Schroder UK Alpha Plus Fund (the Receiving Fund) by way of a Scheme of Arrangement, which we refer to in this document as the Merger. You will have the opportunity to vote on the Merger proposal by proxy appointment of the Chairman, as detailed later in the Letter.

If the proposal to conduct a Scheme of Arrangement is approved, Unitholders of the Merging Fund will receive New Units in the Receiving Fund. If the proposal is approved and the Merger is effected, Unitholders' existing holdings in the Merging Fund will be cancelled and the Merging Fund will be wound up.

This Letter explains the reason for, and the details of, the proposed Scheme of Arrangement. The Scheme of Arrangement requires the approval of Unitholders and you will be asked to approve the proposal via proxy appointment of the Chairman at a virtual Extraordinary General Meeting of Unitholders, to be held over Cisco WebEx virtual conferencing software at 09:00 GMT on 18 February 2022 (Meeting date). **Should you wish to join the virtual meeting, the dial-in details can be obtained by emailing schrodersinvestor@hsbc.com.**

A virtual meeting is being held due to the extraordinary circumstances caused by the COVID-19 pandemic, and there will be no option to attend the meeting in person or vote in person. All voting must be via proxy appointment of the Chairman.

If you are a Unitholder seven days before the date of this Letter, you will be entitled to vote by completing the enclosed form of proxy and posting it to Schroder Unit Trusts Limited, Paragon Customer Communications, Pallion Trading Estate, Sunderland SR4 6ST. Please consider the proposal carefully and return the enclosed form of proxy to us. We must receive the completed form of proxy no later than 09:00 GMT on 16 February 2022.

If returning a form of proxy vote by post in the provided return envelope is not possible, we may accept a form of proxy received via email, provided it has been completed correctly. To facilitate this, the form of proxy must be sent to schroders@paragon-cc.com with a covering email stating that the sender accepts that they will be bound by the electronic form of proxy attached as though it had been delivered in hard copy in accordance with the circular. The sender must also state that they agree to sending a hard copy by post for our records as soon as reasonably possible.

A summary of the Scheme of Arrangement by which the Merger will be effected is set out in Appendix 3 to this Letter. The notice convening the Meeting is set out in Appendix 5.

The costs of the Scheme of Arrangement (except as described in paragraph 5 below entitled “Costs and expenses”) will be borne by the Manager. If there are any costs relating to the restructuring of the portfolio of holdings in the Merging Fund prior to the Scheme of Arrangement, or the Receiving Fund after the Scheme of Arrangement has been implemented, these costs will be met by the respective Funds. These costs are not expected to be material due to the 99% commonality between the Merging Fund and Receiving Fund.

1. Background and reasons for the proposed Merger

The Merging Fund was launched on 29 April 1988 with the aim of providing clients with an active UK equity fund which aims to provide capital growth and income in excess of the FTSE All Share index. The Merger is being proposed as part of a strategic restructure of the UK equity product range to rationalise the range and to ensure clear product differentiation.

In Schroders’ UK domiciled fund range, there are currently six UK equity funds, which are focused on capital growth, and benchmarked against the FTSE All Share index. This Merger will look to consolidate the Merging Fund and Receiving Fund as both invest according to similar strategies which focus on UK equities, specifically shares of quality long term businesses that the Investment Manager’s believe to be trading at an attractive price. Quality is characterised as well-managed franchises, which have good long-term returns on capital, are highly cash flow generative and have the pricing power to preserve margins.

Over the past few years, the Merging Fund has underperformed relative to benchmark and peers and has not met its investment objectives. In contrast, the Receiving Fund has delivered positive relative performance under the management of its Fund Managers, Bill Casey & Nick Kissack. In response to this, the managers of the Merging Fund changed from Alex Breese to Bill Casey & Nick Kissack on 1 May 2021, and both the Merging Fund and Receiving Fund have since invested according to similar strategies, and have produced similar levels of income.

As both the Merging Fund and Receiving Fund are managed by the same Fund Managers and run according to similar strategies, we have concluded that the appropriate course of action is to propose a Scheme of Arrangement whereby Unitholders of the Merging Fund will receive New Units in the Receiving Fund, and Unitholders’ existing holdings in the Merging Fund will be cancelled. This will result in a single fund which is more likely to benefit from economies of scale.

This Scheme of Arrangement will be taking place alongside a similar scheme where shareholders in Schroder UK Opportunities Fund receive units in the Receiving Fund, to further consolidate the UK equity product range. We consider both these mergers to be in the interests of both Unitholders and shareholders of the Merging Fund and Schroder UK Opportunities Fund. The net asset value of the combined portfolios will be £989.96 million (as at 31 December 2021).

Charges

The Shareholders of A Accumulation Shares, A Income Shares, S Accumulation Shares, S Income Shares, Z Accumulation Shares and Z Income Shares will not experience any change in fees as a result of the merger. Shareholders of I Income Shares will experience a reduction of fees of 0.01%. All fee changes can be found in Appendix 1 of this paper.

Comparison of the Merging Fund and Receiving Fund

A comparison of the investment objective and policy of the Merging Fund and the Receiving Fund and other relevant information, including the ongoing charge (OGC) and cumulative performance over 1 year, 3 years and 5 years can be found in Appendix 1. Key Investor Information Documents for the Merging Fund and Receiving Fund have also been included in Appendix 6. You may also refer to the Schroder Unit Trusts Limited -

Intermediary UCITS prospectus for further details on the Merging Fund and the Receiving Fund. This is available at <https://www.schroders.com/en/uk/private-investor/literature/download-literature/>.

The Merging Fund and the Receiving Fund both use the FTSE All share (Gross Total Return) index as their target benchmark (which is a formal target which the fund aims to outperform), and assess performance over a three-to-five-year period. Please note that the Merging Fund also aims to achieve income in excess of the target benchmark whereas the Receiving Fund only aims to achieve capital growth in excess of the target benchmark. In practice, both the Merging Fund and Receiving Fund have achieved similar levels of income since the investment strategies and fund managers were aligned in May 2021, so there should not be any material impact on the income received. Please also note that both funds are UK UCITS schemes and both invest directly in equities of companies incorporated, headquartered or which have their principal business activities in the UK (please see comparison of investment objectives in Appendix 1 for more information).

In addition, both the Merging Fund and Receiving Fund have broadly comparable 3-year absolute volatilities (21.2% and 19.8% respectively), which is a measure of how much a fund's return may vary over a year.

Please note that the Merging Fund and Receiving Fund both have Synthetic Risk and Reward Indicators (a measure used to classify the risk of investment funds, ranging from 1 for the lowest risk category, to 7 for the highest risk category) of 6, meaning that both the Merging Fund and Receiving Fund are able to take higher risks in search of higher rewards and their prices may rise and fall accordingly.

Additionally, by merging into a large fund, investors in the Merging Fund may have the opportunity to benefit from scale discounts, which may further benefit investors in both the Merging Fund and Receiving Fund.

Given the above, we believe that the Receiving Fund is the most suitable fund within our range for a Scheme of Arrangement with the Merging Fund.

Valuation point, accounting dates, income allocation and income objectives

Both the Merging Fund and Receiving Fund carry out a valuation of assets at 12:00 GMT. To facilitate the Scheme of Arrangement the final valuation of assets for the Merging Fund will be conducted at 12:00 GMT, on the day the Merger takes place.

It should be noted that the frequency of income allocation is different between the Merging Fund and the Receiving Fund which are semi-annually and annually respectively. By merging into the Receiving Fund the income allocation for Unitholders will change to annually on the 31st of July as opposed to the current semi-annual dates of August 20th and February 20th.

A comparison of the different accounting and allocation dates is set out in Appendix 1.

Accounting period change if Merger is approved

In order to simplify the Merger process, the current accounting period of the Merging Fund will end at 12:00 GMT on the Effective Date and an additional distribution of income will take place. This means that any income from the end of the previous accounting period to the Effective Date will be transferred out prior to the Merger taking effect. Income for this period will be allocated in respect of Income Units and distributed within two months of the Effective Date. For Accumulation Units, the income will be transferred to the capital account and reflected in the value of New Accumulation Units to be issued in the Receiving Fund. Any income paid to holders of both Income and Accumulation Units will be within the charge to UK taxation and as such will be subject to UK tax.

Following the Merger, the Trustee shall proceed to wind-up the Merging Fund in accordance with the terms of its Prospectus, the Trust Deed and COLL. Wind up accounts will be available on request.

2. Tax implications

Capital Gains Tax

Based on our understanding of current UK tax law applicable to UK resident tax payers and the tax clearance we have received from HM Revenue & Customs, the exchange of Units in the Merging Fund for New Units in the Receiving Fund, will not constitute a disposal of Units for capital gains tax purposes. Instead, your New Units will be deemed to have been acquired on the date you acquired Units in the Merging Fund for the same cost, and any tax you incur on the capital gains realised when you dispose of your New Units in the Receiving Fund, will be calculated on this basis.

If you are in any doubt about your tax position, or you are not a UK resident, you should consult a professional tax adviser.

Stamp Duty

It is our understanding that the proposed Merger will not constitute an agreement to transfer any chargeable securities involved in the transaction, and therefore no charge to Stamp Duty or Stamp Duty Reserve Tax should arise.

The above statements as to taxation are based on legislation and HM Revenue & Customs practice as known at the date of this Letter. Levels and bases of, and reliefs from, taxation may change. They summarise the position for UK-resident investors generally. They do not cover the tax position of non-UK-resident Unitholders, nor cover liability to overseas taxes, nor apply to dealers in securities. Tax reliefs referred to are those currently available and their value depends on the individual circumstances of the investor. We do not accept liability should the tax legislation or HM Revenue & Customs practice or its interpretation change at any time. If you are in any doubt about how your taxation position may be affected, you should consult your professional adviser.

3. Issue of New Units under the Merger

We set out below the classes of New Units which Unitholders will receive under the Merger:

Existing Unit Class in the Merging Fund	New Unit Class in the Receiving Fund to be issued under the Merger
A Accumulation Units	A Accumulation New Units
S Accumulation Units	S Accumulation New Units
C Accumulation Units	Z Accumulation New Units
Z Accumulation Units	Z Accumulation New Units
I Accumulation Units	L Accumulation New Units
A Income Units	A Income New Units
S Income Units	S Income New Units
C Income Units	Z Income New Units
Z Income Units	Z Income New Units

4. Costs and expenses

The costs and expenses of the proposed Merger will be paid by the Manager. These costs and expenses include the costs of preparing and implementing the Merger, of convening and holding the Meeting and of winding up the Merging Fund if the proposed Merger is approved. The Manager will not seek reimbursement of such amounts from the property of the Merging Fund.

Any costs incurred in respect of restructuring the portfolio of the Merging Fund in preparation for the Scheme of Arrangement will be borne by that Fund. Due to the approximately 99% commonality between the Merging Fund and the Receiving Fund, these costs are expected to be less than 1 basis point (i.e. 0.01% or £1 for every £10,000 held). If the Extraordinary Resolution is approved, any restructuring required to align the Merging Fund with the Receiving Fund will begin at 00:00 GMT on 23 February 2022, following the last dealing day for Units in the Merging Fund.

Any costs incurred in respect of restructuring the portfolio of the Receiving Fund after the Scheme of Arrangement has been implemented will be borne by the Receiving Fund.

5. Consents and approvals

Details of the various consents and clearances which we have been given or obtained and the other documents available for inspection in connection with the Merger proposal are set out in Appendix 4.

6. Your right to sell your Units

You are entitled to sell or buy Units in the Merging Fund (free of any charge) at any time before 12:00 GMT on 21 February 2022. A valid instruction to buy or sell Units in the Merging Fund will be binding if received by 12:00 GMT on 21 February 2022.

Instructions to sell your Units must be given in writing to Schroder Unit Trusts Limited at PO Box 1402, Sunderland SR43 4AF or by telephoning our Investor Services team on 0800 182 2399. The Investor Services team can also help you if you have any question about selling your Units.

If the Extraordinary Resolution is approved, the Scheme of Arrangement will be implemented regardless of whether you voted for or against it, or voted at all.

You are entitled to sell your New Units in the Receiving Fund following the Effective Date. Please note that the selling of your New Units in the Receiving Fund will constitute a disposal for capital gains tax purposes.

7. Recommendation and action to be taken

We believe that the proposed Merger is in the best interests of Unitholders and we recommend that you vote in favour of the proposal. To be passed, the Extraordinary Resolution requires a majority in favour of not less than 75% of the total number of votes validly cast (in this case via form of proxy received no later than 48 hours prior to the Meeting), so it is important that you exercise your right to vote.

If the Extraordinary Resolution is not passed, the Merging Fund will not be merged into the Receiving Fund and it will continue to be managed in its current form. Please note, however, that in these circumstances it is likely that we will review the on-going viability of the Merging Fund and this may lead to us proposing further changes in due course.

Before you make your decision, we recommend that you read the rest of this proposal and, in particular, Appendix 1 as this contains important information about the differences between the Funds and how the Merger

(if effected) will impact you. You should also read the Key Investor Information Documents set out at Appendix 6.

As indicated above and more particularly under the terms of the Scheme, Unitholders of the Merging Fund participating in the Scheme will receive Units in the Receiving Fund under the Scheme.

The results of the vote will be published on 21 February 2022 on our Changes to Funds page of our website: <https://www.schroders.com/en/uk/asset-manager/fund-centre/changes-to-funds/>.

If you do not have a financial adviser you can find one in your area by visiting www.unbiased.co.uk or call a member of our Investor Services team on 0800 182 2399. Please be aware that Schroders does not offer investment advice.

Whether or not you intend to join the meeting please complete the enclosed form of proxy and return it in the prepaid envelope provided. It must arrive on or before 09:00 GMT on 16 February 2022. If you would like to ask any questions to the Chairman, or hear any other questions for the Chairman prior to returning your form of proxy, please contact schrodersinvestor@hsbc.com. Return of the form of proxy will not preclude you from joining this session or the meeting, however please contact schrodersinvestor@hsbc.com for dial-in details if you would like to attend the meeting. **Please note that there will not be any opportunity to amend your vote once your form of proxy has been returned.**

Yours faithfully



Paul Truscott
Director
Schroder Unit Trusts Limited

Appendix 1: Comparison of Schroder UK Equity Fund and Schroder UK Alpha Plus Fund

	Merging Fund	Receiving Fund
Fund Name	Schroder UK Equity Fund	Schroder UK Alpha Plus Fund
Type of fund	UK UCITS Scheme	UK UCITS Scheme
Structure	Unit Trust	Unit Trust
Date of inception	29 April 1988	06 June 2002
Target Benchmark	FTSE All Share (Gross Total Return)	FTSE All Share (Gross Total Return) index
Comparator Benchmark	Investment Association UK All Companies sector average return	Investment Association UK All Companies sector average return
Prospectus investment objective and policy	<p>Investment Objective:</p> <p>The Fund aims to provide capital growth and income in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies.</p>	<p>Investment Objective:</p> <p>The Fund aims to provide capital growth in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies.</p>
	<p>Investment Policy:</p> <p>The Fund is actively managed and invests at least 80% of its assets in equity or equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.</p>	<p>Investment Policy:</p> <p>The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK. The Fund typically holds 30 to 60 companies.</p>
	<p>The Fund's approach is grounded in the belief that sentiment drives share prices in the short term, such that companies with strong long term prospects often become undervalued by the market. The Investment Manager looks to invest in the undervalued companies that have scope for positive change thereby realising the valuation anomaly over the medium to long term.</p>	<p>'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.</p> <p>The Fund may also invest in companies headquartered or quoted outside the UK which derive a significant proportion of their revenues or profits from the UK.</p>

	<p>The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).</p>	<p>The Fund may also invest directly or indirectly in other equity and equity related securities, collective investment schemes (including Schroder funds), fixed income securities, warrants and money market instruments, and hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).</p>
SRRI - Synthetic Risk and Reward Indicator	6	6
KIID Risk Disclosures	<p>Concentration risk: The fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the fund, both up or down.</p> <p>Currency risk: The fund may lose value as a result of movements in foreign exchange rates.</p> <p>Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.</p> <p>Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.</p> <p>Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives</p>	<p>Concentration risk: The fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the fund, both up or down.</p> <p>Currency risk: The fund may lose value as a result of movements in foreign exchange rates.</p> <p>Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.</p> <p>Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.</p> <p>Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.</p>

	<p>may become more difficult to achieve.</p> <p>IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.</p> <p>Derivatives risk: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.</p>	<p>IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.</p> <p>Derivatives risk: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.</p>
Profile of typical investor	<p>The Fund is a medium risk fund aiming to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in equities.</p> <p>Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.</p>	<p>The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short term losses.</p> <p>Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.</p>
Base Currency	British Pounds	British Pounds
Fund Size (£m) at 31 December 2021	£352.78m	£551.83m
Cumulative performance (Z Accumulation for each Fund provided for comparison) at 31 December 2021:	<p>Z Accumulation:</p> <ul style="list-style-type: none"> - 6 months: 2.4 - 1 year: 13.8 - 3 years: 8.5 - 5 years: 7.6 	<p>Z Accumulation:</p> <ul style="list-style-type: none"> - 6 months: 2.4 - 1 year: 11.6 - 3 years: 31.9 - 5 years: 29.1
Annual accounting date	20 June	31 May
Half-yearly accounting dates	20 December	30 November
Income allocation dates	20 August, 20 February	31 July
Pricing structure	Single priced	Single priced
Pricing frequency	Daily	Daily

Valuation point	12:00 p.m. (noon)	12:00 p.m. (noon)
Dealing frequency	Daily	Daily
Deal Cut off	12:00 p.m. (noon) on dealing day	12:00 p.m. (noon) on dealing day
Settlement details	T+4	T+4
Unit classes (only relevant Unit classes for Receiving Fund are shown)	A Accumulation and A Income I Accumulation S Accumulation and S Income Z Accumulation and Z Income	A Accumulation and A Income L Accumulation and L Income S Accumulation and S Income Z Accumulation and Z Income
Schroder Annual Charge (SAC) by class	A: 1.55% I: 0.76% S: 0.54% Z: 0.80%:	A: 1.55% L: 0.75% S: 0.54% Z: 0.80%
Ongoing Charge Figure (OGC) by class	A: 1.55% I: 0.76% S: 0.54% Z: 0.80%:	A: 1.55% L: 0.75% S: 0.54% Z: 0.80%

Appendix 2: Procedure for Unitholder Meeting

1. Extraordinary Resolution of Unitholders

The notice convening the Meeting is set out in Appendix 5 of this document and sets out the Extraordinary Resolution to approve the Merger. To be passed, the Extraordinary Resolution must receive the support of a majority of 75% or more of the total number of votes validly cast.

2. Quorum and Voting Requirements

The quorum for the Meeting is two Unitholders present by proxy.

If a quorum is not present within 15 minutes after the time appointed for the start of the Meeting, the Meeting will be adjourned to a date not less than seven days following the Meeting. Notice will be given of the adjourned meeting and, at that meeting; two Unitholders present by proxy are required to constitute a quorum. However, this may be reduced to one Unitholder if a quorum is not present after a reasonable time. In the event of an adjourned meeting and unless instructions are received, forms of proxy received in respect of the first Meeting will remain valid for the adjourned meeting.

The resolution will be proposed as an extraordinary resolution and must therefore be carried by a majority in favour of not less than 75% of the total number of votes validly cast at the Meeting (in this case via form of proxy received no later than 48 hours prior to the Meeting). Unitholders who hold Units on the date seven days before the notice of the Meeting is sent out are entitled to vote. Once passed, the Extraordinary Resolution is binding on all Unitholders in the Merging Fund.

In view of the importance of the proposal the chairman of the Meeting will call for a poll of proxy votes to be taken in respect of the Extraordinary Resolution. On a poll, the voting rights for each Unit are the proportion of the voting rights attached to all of the Units in issue that the price of the Unit bears to the aggregate price or prices of all of the Units in issue at the date seven days before the notice of the Meeting was sent. A Unitholder is entitled to more than one vote on a poll and need not, if he votes, use all his votes or cast all the votes he uses in the same way.

Please complete and sign the enclosed form of proxy and return it as soon as possible in the enclosed prepaid envelope. Forms of proxy should arrive at the offices Schroder Unit Trusts Limited, Paragon Customer Communications, Pallion Trading Estate, Sunderland SR4 6ST not later than 09:00 GMT on 16 February 2022.

If returning a form of proxy vote by post in the provided return envelope is not possible, we may accept a form of proxy received via email provided it has been completed correctly. To facilitate this, the form of proxy must be sent to schroders@paragon-cc.com with a covering email stating that the sender accepts that they will be bound by the electronic form of proxy attached as though it had been delivered in hard copy in accordance with the circular. The sender must also state that they agree to sending a hard copy by post for our records as soon as reasonably possible.

If you would like to pose any questions to the Chairman prior to returning your form of proxy, please contact schrodersinvestor@hsbc.com. Return of the form of proxy will not preclude you from joining the Meeting, however please contact schrodersinvestor@hsbc.com for dial-in details if you would like to attend the Meeting. Please note that there will not be any opportunity to amend your vote once your form of proxy has been returned.

3. The Manager

The Manager is entitled to attend the Meeting but shall not be entitled to vote or be counted in a quorum at the Meeting, nor any adjournment. If the registered holder of any Units is an associate of the Manager, that associate will only be entitled to exercise the voting rights in respect of those Units if the Units are held by it jointly with or on behalf of a charity who, if a registered holder, would be entitled to vote, and from whom voting instructions have been received. Associates of the Manager holding Units are entitled to be counted in a quorum.

4. Chairman

The Manager has nominated Paul Truscott or, failing him, Mike Champion, to be Chairman of the Meeting and at any adjourned meeting. These nominees are employees of the Manager and have indicated that, in view of the importance of the proposed Extraordinary Resolution, they will demand that a poll of proxy votes be taken.

The procedure for the Meeting to approve the proposed changes, and details of the various consents and a list of the documents relating to the proposal which are available for inspection, are set out in Appendix 4.

Appendix 3: Scheme of Arrangement

1. Definitions and interpretation

- 1.1. In this Scheme, unless the context otherwise requires, words and terms have the meanings set out in the Glossary of Terms at the beginning of this document.
- 1.2. In addition, where relevant in the context, terms which are defined in the FCA Rules shall have the same meaning in this Scheme.
- 1.3. References to paragraphs are to paragraphs of the Scheme.
- 1.4. If there is any conflict between the Scheme and the Trust Deed, the Trust Deed will prevail. If there is any conflict between the Scheme and the FCA Rules, then the FCA Rules will prevail.

2. Approval of Unitholders

- 2.1. The Merger is conditional upon the passing of the Extraordinary Resolution, by which those Unitholders approve the Scheme and authorise the implementation of the Merger.
- 2.2. You will be notified of the result of the vote on the Extraordinary Resolution for the Merging Fund. If approved, the Scheme will be binding on all Unitholders in the Merging Fund, whether or not they vote in favour of it or vote at all, and the conversion will be implemented as set out in the following paragraphs.

3. Last dealings in the Merging Fund

- 3.1. The last date and time on which valid instructions to buy Units in the Merging Fund may be received is 12:00 GMT on 21 February 2022. The last date and time on which valid instructions to sell Units in the Merging Fund may be received is 12:00 GMT on 21 February 2022. Instructions received after that time will be cancelled and will have to be resubmitted after the first valuation point of the Receiving Fund following the Scheme of Arrangement, which will be at 12:00 GMT on 1 March 2022.

4. Income allocation arrangements

- 4.1. An additional interim accounting period will be declared on 28 February 2022 (Effective Date) for the Merging Fund. All income (actual or estimated) that has accrued in the interim accounting period and is available for allocation in relation to Accumulation Units, will be transferred to the capital account of the Merging Fund, allocated to the Accumulation Units, and reflected in the value of those Units (and used to calculate the number of the New Units in the Receiving Fund under the Merger). Any income in respect of Income Units will be paid out to Unitholders within two months of the Effective Date.
- 4.2. Any distributions in respect of the Merging Fund which are unclaimed for a period of six years from the original date of payment (together with any interest arising on such distributions as it accrues) shall be transferred by the administrator of the Merging Fund and become part of the capital property of the relevant Receiving Fund allocated pro rata. The unclaimed distributions shall be held until the last distribution is claimed or until the expiry of six years from the original payment of the distributions, whichever is earlier.

5. Calculation of the value of the Funds

- 5.1. The value of the Merging Fund shall be calculated on a mid-market basis as at 12:00 GMT on the Effective Date less:

5.1.1. income (if any) to be allocated to the Fund in respect of the current accounting period ending on the Effective Date; and

5.1.2. the Retained Amount.

5.2. The value of the Receiving Fund shall be the value of the income and capital property attributable to the Receiving Fund calculated on a mid-market basis in accordance with COLL as at 12:00 GMT on the Effective Date.

5.3. These valuations shall be used in the calculation of the number of New Units in the Receiving Fund to be issued.

5.4. In the event that the value of the Merging Fund and the Receiving Fund move significantly between 12:00 GMT on the Effective Date and the transfer of property and issue of New Units taking place (see paragraph 6 below) there will be a revaluation of the relevant fund(s).

6. Transfer of property and issue of New Units

6.1. As at and from 12:01 GMT on the Effective Date:

6.2. The capital and income of the Merging Fund, less the Retained Amount (the “**Transferred Property**”), will become the property of the Receiving Fund in exchange and full payment for the issue of New Units. The Trustee will cease to hold the Transferred Property as attributable to the Merging Fund and will, in its capacity as trustee of the Receiving Fund, hold the Transferred Property as scheme property of the Receiving Fund. The Trustee, in its capacity as trustee of the Merging Fund, will make or ensure the making of any transfers or re-designations which may be necessary as a result of its ceasing to hold the Transferred Property as the Trustee of the Merging Fund.

6.3. The Manager in its capacity as the manager of the Receiving Fund will issue New Units in the Receiving Fund of the appropriate class and type to Unitholders who are registered on the Effective Date as holding such Units in the Merging Fund on the basis set out in paragraph 7.

6.4. All Units in the Merging Fund will be deemed to be cancelled and will cease to be of any value as at 12:02 GMT on the Effective Date.

6.5. Unitholders will be treated as exchanging their Units for New Units..

7. Basis for the issue of New Units

7.1. The price of each New Unit to be issued in the Receiving Fund shall be the Receiving Fund Value, divided by the number of undivided units represented by units in issue in the Receiving Fund (not including the New Units to be issued under the Scheme) and multiplied by the number of undivided units (including any fraction) represented by one units of the Receiving Fund as at 12:00 GMT on the Effective Date.

7.2. New Units of the appropriate class and type as those held by Unitholders of the Merging Fund on the Effective Date shall be created and issued in the Receiving Fund to the value of the Merging Fund Value, in proportion to the number of undivided units in the property of the Merging Fund in issue at 12:00 GMT on the Effective Date. New Units (including fractions of units) issued in the Receiving Fund shall be allocated among the Merging Fund Unitholders in proportion to the number of undivided units in the property of the Receiving Fund represented by the respective Units in the Merging Fund held or deemed to be held by them at 12:01 GMT on the Effective Date provided that the number of New Units to be issued to any Unitholder shall be rounded up to the nearest fraction at the expense of the Manager.

7.3. As also noted in paragraph 4, for the purposes of income equalisation, the value of New Units may contain an element of income, which represents the value of accrued income at the time of purchase for the relevant accounting period. On the first income allocation following the issue of the New Units,

Unitholders will receive as part of their income allocation a capital sum representing that part of the value of the New Units, which represents the value of such accrued income.

8. Notification of the New Units issued under the Scheme

- 8.1. It is intended that Schroder Unit Trusts Limited, as the manager of the Receiving Fund, will notify each Unitholder who has participated in the Merger of the number and class of New Units in the Receiving Fund issued under the Scheme. This notification will be dispatched by the close of business within 14 days after the Effective Date by first class post to the Unitholder's address appearing in the register of unitholders of the Receiving Fund as at the Effective Date. Upon despatch of such notifications, any documentation confirming ownership of Units in the Merging Fund will cease to be valid. No certificates will be issued in respect of New Units.
- 8.2. Transfers or redemptions of New Units issued under the Scheme may be effected from the next business day after the Effective Date by telephoning Schroder Unit Trusts Limited on 0800 182 2399. Written transfer and redemption requests in respect of New Units can be made in writing to Schroder Unit Trusts Limited at PO Box 1402, Sunderland, SR43 4AF.

9. Mandates and other instructions in respect of New Units

- 9.1. Mandates and other instructions to the Manager of the Merging Fund in force on the Effective Date in respect of Units will be deemed to be effective in respect of New Units issued under the Scheme and in respect of other later acquired New Units, if relevant. These mandates or instructions may be changed at any time.
- 9.2. After the Scheme of Arrangement has been implemented, any rebate arrangements and renewal commissions in effect on the Merging Fund may not be carried over to the Receiving Fund.

10. Winding up of the Fund

- 10.1. If the Scheme is approved by Unitholders, the Merging Fund will, following the Merger, be wound up in accordance with the FCA Rules.
- 10.2. The Retained Amount (which will be made up of cash and other assets, if necessary) and any income arising on it will be used by the Trustee to pay any outstanding liabilities of the Merging Fund in accordance with the directions and instructions of the Manager, the provisions of the Trust Deed and the Prospectus, and the FCA Rules. In providing such directions and/or instructions to the Trustee, the Manager, as manager of the Merging Fund, shall be responsible for ensuring that such directions and/or instructions comply at all times with the provisions of the Instrument of Incorporation and the Prospectus, and the FCA Rules.
- 10.3. If, on the completion of the winding up of the Merging Fund, there are any surplus moneys remaining in the Merging Fund, the money, together with any income arising therefrom, shall be transferred to the Receiving Fund. No further issue of New Units will be made as a result.
- 10.4. If the Retained Amount is insufficient to discharge all the liabilities of the Merging Fund, the Trustee, in its capacity as trustee of the Receiving Fund, will pay the amount of the shortfall out of the scheme property of the Receiving Fund in accordance with the directions and/or instructions of the Manager with the agreement of the Trustee (in its capacity as trustee of the Receiving Fund) and the FCA Rules, but otherwise such shortfall shall be discharged by the Manager.
- 10.5. On completion of the winding up of the Merging Fund, the Trustee (in its capacity as trustee of the Merging Fund) will be discharged from all its obligations and liabilities in respect of the Merging Fund, except those arising from a breach of duty before that time.

11. Costs, charges and expenses

- 11.1. The Trustee (in its capacity as trustee of the Merging Fund) and the Manager will continue to receive their usual fees and expenses for being the trustee and the manager respectively of the Merging Fund out of the property of the Merging Fund which accrue prior to, or, in the case of the Trustee, after, the Effective Date.
- 11.2. The costs of preparing and implementing the Merger under the Scheme will be paid by Schroder Unit Trusts Limited, not by Unitholders, including:
- 11.2.1. the costs of convening and holding the extraordinary general meeting of Unitholders (and any adjourned meeting);
 - 11.2.2. any re-designation and registration fees;
 - 11.2.3. taxes and duties (if any) on the transfer or re-designation of the Transferred Property;
 - 11.2.4. the costs of winding up of the Merging Fund; and
 - 11.2.5. professional adviser's fees and expenses (including those of the Trustee) payable in connection with the Merger and the Scheme.
- 11.3. Any costs related to the restructure of the Merging Fund under the Scheme will be paid by the Fund. Due to the approximately 99% commonality between the Merging Fund and the Receiving Fund these costs are expected to be less than 1 basis point (i.e. 0.01% or £1 for every £10,000 held).
- 11.4. The Scheme of Arrangement will not result in prejudice to Unitholders in the Merging Fund, it is consistent with the existing objectives of the Merging Fund and can be made effective without breaching the investment and borrowing limits in line with COLL 7.6.2R6. Please note that during the period of time where the Merging Fund is being restructured, the Merging Fund may not be managed in line with its investment objective and policy (as set out in the Fund's Prospectus and Key Investor Information Document).

12. Register of Unitholders

- 12.1. The Manager and the Trustee (in their respective capacities as manager and trustee of the Merging Fund) shall be entitled to assume that all information contained in the register of Unitholders of the Merging Fund on and immediately prior to the Effective Date is correct, and to utilise the same in calculating the number of New Units to be issued and registered pursuant to the Scheme.
- 12.2. The Manager and the Trustee (in their respective capacities as manager and trustee of the Merging Fund) may act and rely upon any certificate, opinion, evidence or information furnished to it by its professional advisers or by the auditors of the Merging Fund in connection with the Scheme and shall not be liable or responsible for any resulting loss.

13. Alterations to the Scheme

- 13.1. The Manager, with the agreement of the Trustee (in its capacity as trustee of the Merging Fund), may determine (in particular, in the event of an adjournment to the meeting of Unitholders to consider and vote on the Extraordinary Resolution) that the Effective Date of the Merger is to be other than as set out in this document, in which case such consequential adjustments may be made to the other elements in the timetable of the Scheme as the Manager considers appropriate.
- 13.2. The terms of the Scheme may be amended as determined by the Manager and the Trustee (in its capacity as trustee of the Merging Fund).

14. Governing law

14.1. The Scheme is governed by and shall be construed in accordance with the laws of England and Wales.

Dated: 24 January 2022

Appendix 4: Consents and clearances

1. Trustee

J.P. Morgan Europe Limited, as trustee of the Merging Fund and the Receiving Fund, whilst expressing no opinion on the merits or demerits of the proposal, has informed us by letter that it considers that the Scheme of Arrangement is in a form suitable to be placed before Unitholders for their consideration and that if the Scheme is implemented it is not likely to result in any material prejudice to the Unitholders. It consents to the references made to it in this document in the form and context in which they appear. The confirmation is not a recommendation to vote for or against the Extraordinary Resolution, which is a matter for each Unitholder's judgement.

2. Manager

The Manager confirms that in its opinion, if the Scheme is implemented it is not likely to result in any material prejudice to the Unitholders in the Merging Fund. In particular, the Manager confirms, and has confirmed to the Trustee in writing that, in its opinion, the receipt of property under the Scheme by the Receiving Fund is consistent with the investment objectives of the Receiving Fund and can be effected without any breach of Chapter 5 of COLL.

3. HM Revenue & Customs

HM Revenue & Customs has confirmed that section 137 of the Taxation of Chargeable Gains Act 1992 should not apply to the Merger under the Scheme of Arrangement and consequently section 136 of that Act may apply. Accordingly, the Merger of the Merging Fund into the Receiving Fund will not involve a disposal of Units in the Merging Fund for the purposes of taxation of capital gains. The New Units in the Receiving Fund will be deemed to have the same acquisition cost and acquisition date for capital gains tax purposes for each UK Unitholder who has been allocated New Units by way of the Merger as their existing Units in the Merging Fund.

4. Documents available for inspection

Copies of the following documents are available for inspection on request from the following email address schrodersinvestor@hsbc.com until the date of the extraordinary general meeting or of any adjournment thereof:

- a. the Prospectus and Trust Deed for the Merging Fund;
- b. the latest interim and annual report and accounts for the Merging Fund;
- c. the Prospectus and Trust Deed for the Receiving Fund;
- d. the key investor information document for the Z Accumulation Unit class of the Merging Fund and Receiving Fund;
- e. the letter from the Trustee to us consenting to the inclusion in this Letter and the Scheme of Arrangement of references to the Trustee referred to under "1. Trustee" above; and
- f. Chapter 7 of COLL which is referred to in the Scheme of Arrangement.

Appendix 5: Notice of Meeting of Unitholders – Schroder UK Equity Fund

NOTICE IS HEREBY GIVEN that a meeting of the Unitholders in Schroder UK Equity Fund will be held on Cisco WebEx virtual conferencing platform at 09:00 GMT on 18 February 2022 (Meeting date) (please contact schrodersinvestor@hsbc.com for dial-in details) to consider and, if thought fit, to pass the following resolution which will be proposed as an Extraordinary Resolution.

Extraordinary Resolution

That the Scheme of Arrangement (the “Scheme”) of Schroder UK Equity Fund (the “Fund”), and relating to the merger of the Fund into Schroder UK Alpha Plus Fund, as set out in Appendix 3 to the letter dated 24 January 2022 from Schroder Unit Trusts Limited to the holders of Units in the Fund (the “Letter”) be and is hereby approved and adopted and accordingly that subject to the satisfaction of all of the consents set out in Appendix 4 to the Letter, Schroder Unit Trusts Limited, as the Manager of the Fund, and J.P. Morgan Europe Limited, as Trustee of the Fund are hereby instructed to implement and give effect to the Scheme in accordance with its terms.



Paul Truscott
Director

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU

Notes

1. Due to the current COVID-19 pandemic, the Meeting will be virtual only and held on Cisco WebEx virtual conferencing platform. **Dial-in details for the Meeting can be requested by emailing schrodersinvestor@hsbc.com.**
2. Also, due to the current COVID-19 pandemic, all voting will be via proxy appointment of the chairman. There will be no opportunity to vote at the virtual Meeting. If a Unitholder wishes to propose a motion to adjourn during the course of the Meeting, this should be brought to our attention when returning the form of proxy.
3. To be valid, a form of proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy thereof) must be lodged with Schroder Unit Trusts Limited, Paragon Customer Communications, Pallion Trading Estate, Sunderland SR4 6ST, no later than 09:00 GMT on 16 February 2022. A form of proxy is enclosed. If returning a form of proxy vote by post in the provided return envelope is not possible, we may accept a form of proxy received via email, provided it has been completed correctly. To facilitate this, the form of proxy must be sent to schroders@paragon-cc.com with a covering email stating that the sender accepts that they will be bound by the electronic form of proxy attached as though it had been delivered in hard copy in accordance with the circular. The sender must also state that they agree to sending a hard copy by post for our records as soon as reasonably possible.
4. The quorum for the Meeting is two Unitholders present by proxy. The Manager may not vote or be counted in the quorum except in any case where the Manager holds Units on behalf of or jointly with a person who, if himself the sole registered Unitholder, would be entitled to vote, and from whom the Manager has received voting instructions.

5. To be passed, an Extraordinary Resolution must be carried by a majority in favour of not less than 75% of the total number of votes validly cast by proxy appointment prior to the Meeting.
6. At the Meeting a poll of proxy votes will be taken. On a poll, the voting rights for each Unit are the proportion of the voting rights attached to all of the Units in issue that the price of the Unit bears to the aggregate price or prices of all of the Units in issue at the date seven days before the notice of the Meeting was sent out. A Unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all votes he uses in the same way.

Appendix 6: Key Investor Information Documents

Schroders

Key Investor Information

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

Schroder UK Equity Fund

an Authorised Unit Trust of Schroder Unit Trusts Limited

Class Z Accumulation GBP (GB00B3VQSZ80)

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

Objectives and investment policy

Objectives

The fund aims to provide capital growth and income in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a 3 to 5 year period by investing in equities of UK companies.

Investment policy

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

The fund's approach is grounded in the belief that sentiment drives share prices in the short term, such that companies with strong long-term prospects often become undervalued by the market. The investment manager looks to invest in the undervalued companies that have scope for positive change thereby realising the valuation anomaly over the medium to long term.

The fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective

investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The fund may use derivatives with the aim of reducing risk or managing the fund more efficiently.

Benchmark

The fund's performance should be assessed against its target benchmark, being to exceed the FTSE All Share (Gross Total Return) index, and compared against the Investment Association UK All Companies sector average return. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.

Dealing frequency

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

Distribution policy

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

Risk and reward profile



The risk and reward indicator

The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile.

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

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

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

Risk factors

Concentration risk: The fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the fund, both up or down.

Currency risk: The fund may lose value as a result of movements in foreign exchange rates.

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

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

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

IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

Derivatives risk: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

Charges

One-off charges taken before or after you invest	
Entry charge	None
Exit charge	None
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charges	0.80%
Charges taken from the fund under certain specific conditions	
Performance fee	None

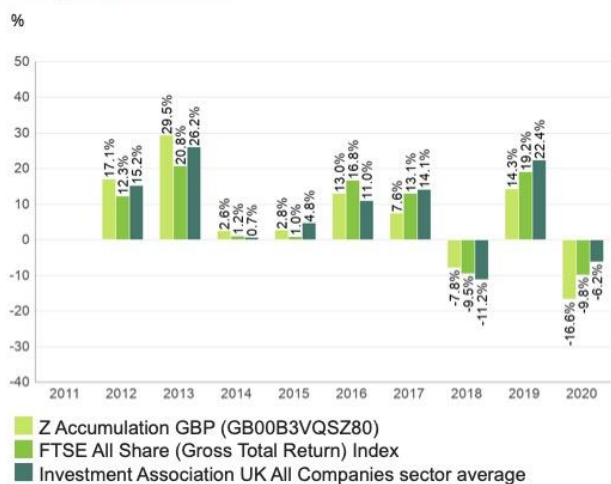
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

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

The ongoing charges figure is based on the last year's expenses for the year ending December 2020 and may vary from year to year. The ongoing charge figure excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Schroders Annual Charge (as may be discounted for retail unit classes depending on the size of the fund) but certain additional expenses may be charged as set out in the prospectus. The Schroders Annual Charge (without any discount) for this unit class of the fund is 0.80%. The fund's annual report for each financial year will include details on the exact charges made including any discounts.

Please see the prospectus for more details about the charges.

Past performance



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

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

The fund was launched on 30 April 1987.

The shareclass was launched on 02 August 2011.

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

Practical information

Trustee: J. P. Morgan Europe Ltd.

Further information: You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly reports and the latest price of units from www.schroders.com/ukinvestor and from Schroders, PO Box 1402, Sunderland, SR43 4AF, England, telephone 0800 182 2399. They are in English, free of charge.

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

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

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

prospectus for more details.

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

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

Glossary: You can find an explanation of some of the terms used in this document at www.schroders.com/ukinvestor/glossary.

Benchmark: The target benchmark has been selected because it is representative of the type of investments in which the fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the fund aims to provide. The comparator benchmark has been selected because the investment manager believes that this benchmark is a suitable comparison for performance purposes given the fund's investment objective.

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

Schroder UK Alpha Plus Fund

an Authorised Unit Trust of Schroder Unit Trusts Limited

Class Z Accumulation GBP (GB00B5L33N61)

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

Objectives and investment policy

Objectives

The fund aims to provide capital growth in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a 3 to 5 year period by investing in equities of UK companies.

Investment policy

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

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

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

The fund may also invest directly or indirectly in other securities (including in

other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The fund may use derivatives with the aim of reducing risk and managing the fund more efficiently.

Benchmark

The fund's performance should be assessed against its target benchmark, being to exceed the FTSE All Share (Gross Total Return) index, and compared against the Investment Association UK All Companies sector average return. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.

Dealing frequency

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

Distribution policy

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

Risk and reward profile



The risk and reward indicator

The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile.

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

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

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

Risk factors

Concentration risk: The fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the fund, both up or down.

Currency risk: The fund may lose value as a result of movements in foreign exchange rates.

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

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

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

IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

Derivatives risk: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

Charges

One-off charges taken before or after you invest	
Entry charge	None
Exit charge	None
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charges	0.80%
Charges taken from the fund under certain specific conditions	
Performance fee	
None	

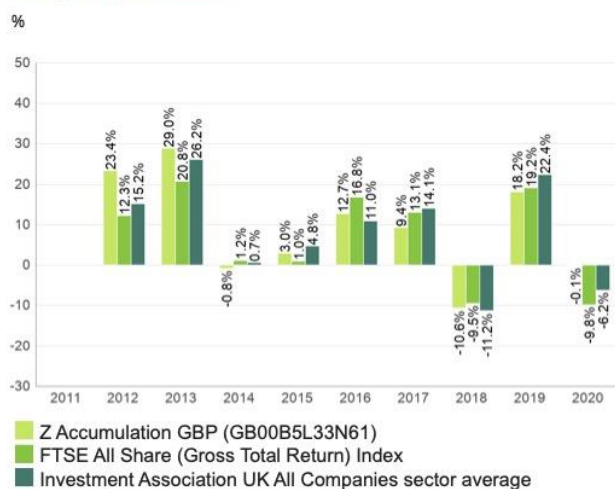
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

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

The ongoing charges figure is based on the last year's expenses for the year ending December 2020 and may vary from year to year. The ongoing charge figure excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Schroders Annual Charge (as may be discounted for retail unit classes depending on the size of the fund) but certain additional expenses may be charged as set out in the prospectus. The Schroders Annual Charge (without any discount) for this unit class of the fund is 0.80%. The fund's annual report for each financial year will include details on the exact charges made including any discounts.

Please see the prospectus for more details about the charges.

Past performance



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

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

The fund was launched on 24 June 2002.

The shareclass was launched on 11 May 2011.

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

Practical information

Trustee: J. P. Morgan Europe Ltd.

Further information: You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly reports and the latest price of units from www.schroders.com/ukinvestor and from Schroders, PO Box 1402, Sunderland, SR43 4AF, England, telephone 0800 182 2399. They are in English, free of charge.

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

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

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

prospectus for more details.

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

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

Glossary: You can find an explanation of some of the terms used in this document at www.schroders.com/ukinvestor/glossary.

Benchmark: The target benchmark has been selected because it is representative of the type of investments in which the fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the fund aims to provide. The comparator benchmark has been selected because the investment manager believes that this benchmark is a suitable comparison for performance purposes given the fund's investment objective.



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