

7 November 2022

Dear Sir/Madam

Schroder UK Dynamic Smaller Companies Fund (the "Fund"): Investment Objective and Target Benchmark change

We are writing to inform you of changes to the Fund, in which you are invested.

With effect from 9 January 2023 (the "Effective Date"):

1. The Fund's target benchmark will change from the **FTSE Small Cap ex Investment Trust Gross Total Return GBP** to the **Numis Small Companies plus AIM excluding Investment Companies Total Return GBP**.
2. The Investment Objective of the Fund will change to reflect the new target benchmark.

Rationale for the change

The Fund currently has a target to outperform the FTSE Small Cap Index after fees. We have been reviewing the target benchmark and believe that in recent years, the Fund's current target benchmark has narrowed in scope, with 93% of the index covering only the bottom 5% of the UK market and excluding AIM stocks. As at 28 February 2022, the FTSE Small Cap Index only covered 130 stocks. It also has a heavy skew towards the real-estate sector. We therefore feel the Fund's current target benchmark is no longer appropriate for the Fund which is focussed on investing in shares of companies with smaller capitalisation.

By contrast, the Numis Small Companies plus AIM excluding Investment Companies Total Return GBP index is comprised of 1,143 stocks which results in a better reflection of the sector exposure of the bottom 10% of companies in the equity market and has a closer reflection of the sector exposure of the Fund. We believe the Numis Small Companies plus AIM excluding Investment Companies Total Return GBP index better correlates with the Fund's investment policy and is a more appropriate target for the Fund to seek to outperform.

There will be no change to the nature or purpose of the Fund, or its risk profile as a result of these changes.

These changes do not require shareholder approval and you do not need to take any action, however, we encourage you to read this letter as it contains important information about your investment.

Please see the Appendix to this letter for a table comparing the Fund's current investment objective versus the Fund's investment objective from the Effective Date.



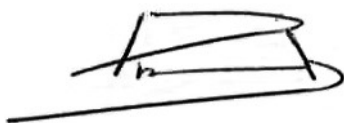
Your options

We hope that you will remain invested in the Fund, but you are entitled to switch your shares in the Fund for shares or units in another Schroders' fund, free of any initial charge, at any time before the Effective Date.

Further information

If you have any questions or concerns about the changes, please contact your financial adviser. If you do not have a financial adviser, you can find one in your area by visiting www.unbiased.co.uk or calling a member of our Investor Services Team on the number in the letterhead. Please be aware that Schroders does not offer investment advice.

Yours faithfully



Paul Truscott
Director
Schroder Unit Trusts Limited

Appendix: Schroder UK Dynamic Smaller Companies Fund

Comparison table:

Current Investment Objective	Investment Objective from the Effective Date
The fund aims to provide capital growth in excess of the FTSE Small Cap ex Investment Trust (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equities of small-sized UK companies.	The fund aims to provide capital growth in excess of the Numis Small Companies Plus AIM excluding Investment Companies Total Return GBP index (after fees have been deducted) over a three to five year period by investing in equities of small-sized UK companies.