

14 November 2022

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Dear Sir/Madam

Schroder Small Cap Discovery Fund: Change of Fund name, investment objective, investment policy, target benchmark and comparator benchmark

We are writing to inform you of certain changes to the Schroder Small Cap Discovery Fund (the "Fund"), in which you are invested.

With effect from 13 January 2023 (the "Effective Date"):

1. The Fund's name will change from Schroder Small Cap Discovery Fund to the Schroder Asian Discovery Fund. This revised name better reflects the way the Fund is managed.
2. The investment objective and policy of the Fund will be updated as shown in the Appendix to this letter. From the Effective Date the Fund will maintain (a) a minimum 80% exposure to small and mid cap companies; and (b) a minimum 80% exposure to the Asia Pacific ex Japan region. The Fund will be able to invest in mid cap companies as well as small cap companies which will allow the investment manager to invest in slightly larger companies, providing potentially greater growth opportunities in high conviction holdings. The Fund has historically maintained an exposure of around 80% in the Asia Pacific ex Japan region and therefore the change in investment policy will not change the way the Fund is managed, but will better highlight its core investment focus.
3. The target benchmark of the Fund will change from MSCI Small Cap (Net Total Return) indices (Emerging Markets, Hong Kong, Singapore), to the MSCI AC Asia ex Japan Small Mid Cap (Net Total Return), which will better reflect the Fund's investment strategy.
4. The Fund will also add the IA Asia Pacific ex Japan sector as a comparator benchmark. This comparator benchmark will enable you to assess the Fund's performance against funds with a similar investment objective and policy.

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 unitholder 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 and investment policy versus the Fund's investment objective and policy from the Effective Date.



The Fund and unit classes affected are shown in the Appendix.

Your options

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

Costs

Any costs incurred in respect of this restructure of the portfolio of investments of the Fund from the current holdings will be borne by the Fund. It is estimated that such costs (including taxes) will be 13 basis points (i.e. 0.13% or £13 for every £10,000 held).

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 Small Cap Discovery Fund

Comparison table:

Current Investment Objective	Investment Objective from the Effective Date
<p>The Fund aims to provide capital growth in excess of its benchmark* (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of Asian smaller companies (excluding Japan) and in global emerging market smaller companies.</p>	<p>The Fund aims to provide capital growth in excess of the MSCI AC Asia ex Japan Small Mid Cap (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small and mid cap Asian companies (excluding Japan).</p>
Current Investment Policy	Investment Policy from the Effective Date
<p>The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized Asian (excluding Japan) and global emerging market companies. These are companies that, at the time of purchase, are similar in size to those comprising the bottom 30% by market capitalisation of the equities market in Asia and other emerging markets.</p> <p>The Fund may also invest in small-sized companies headquartered in or quoted on developed markets if those companies derive a significant proportion of their revenues or profits in emerging markets.</p> <p>The small cap universe is an extensive, diverse and constantly changing area of Asian and other emerging markets. Smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They also tend to grow more rapidly than larger firms.</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 achieving investment gains, reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).</p> <p>* The Fund's benchmark is a blend of the MSCI Small Cap (Net Total Return) indices (Emerging Markets, Hong Kong, Singapore).</p>	<p>The Fund is actively managed and invests:</p> <ul style="list-style-type: none"> - at least 80% of its assets in equity and equity related securities of Asian (excluding Japan) companies; and - at least 80% of its assets in equities of small and mid cap companies. Small and mid cap companies are those that, at the time of purchase, are similar in size to those comprising the MSCI AC Asia ex Japan Small Mid Cap (Net Total Return) index. <p>As a result, the Fund will have (a) a maximum exposure of 20% to non-Asian (ex Japan) companies; and (b) a maximum exposure of 20% to non-small or mid cap companies (as defined above).</p> <p>The small and mid cap universe is an extensive, diverse and constantly changing area of Asian markets. Small and mid cap companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies.</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 achieving investment gains, reducing risk and managing the fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).</p>



Unit classes:

Fund Name	Inc / Acc	Class	ISIN
Schroder Small Cap Discovery Fund	Accumulation	A	GB00B5NX4423
Schroder Small Cap Discovery Fund	Income	A	GB00B4ZV6P20
Schroder Small Cap Discovery Fund	Accumulation	L	GB00BDD2GN82
Schroder Small Cap Discovery Fund	Income	L	GB00BDD2GP07
Schroder Small Cap Discovery Fund	Accumulation	Z	GB00B5ZS9V71
Schroder Small Cap Discovery Fund	Income	Z	GB00B4Y8PY67
Schroder Small Cap Discovery Fund	Accumulation	S	GB00BJRSW148