

23 January 2023

Dear Sir/Madam

Clarification of the investment policy for the Schroder Income Portfolio:

We are writing to inform you a certain clarificatory change to the Schroder Income Portfolio (the "Fund"), in which you are invested.

The change described in this letter does 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.

Change to the investment policy

With effect from 24 February 2023 (the "Effective Date"), the investment policy of the Fund will be changed to better reflect how it is managed. The change proposed is to amend the investment policy to make it clearer that the collective investment schemes in which the Fund currently invests in, may use derivatives, but that the Fund will continue to not directly invest in derivatives. Please note that this change is clarificatory only and there will be no change to the nature or purpose of the Fund, its risk profile, or change to the way the Fund is managed.

Please see the Appendix to this letter for a table comparing current and updated investment policy.

Costs


There will be no associated portfolio restructuring costs as a result of the changes described in this letter.

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:

Comparison table for: Schroder Blended Portfolio 3

Current Investment Policy	Updated Investment Policy
<p>The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:</p> <p>(A) equity or equity related securities; (B) fixed income securities (including government bonds and corporate bonds); (C) currencies; and (D) alternative assets.</p> <p>Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities. The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range. The Fund invests up to 35% (depending on risk profile of the range) of its assets in equity and equity related securities. The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.</p> <p>The Fund will not use derivatives.</p> <p>The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index tracking third-party funds</p>	<p>The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:</p> <p>(A) equity or equity related securities; (B) fixed income securities (including government bonds and corporate bonds); (C) currencies; (D) alternative assets; and (E) derivatives.</p> <p>Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities. The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range. The Fund invests up to 35% (depending on risk profile of the range) of its assets in equity and equity related securities. The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.</p> <p>The Fund will not use derivatives directly.</p> <p>The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index tracking third-party funds</p>