

28 April 2023

Dear Sir/Madam

Schroder US Smaller Companies Fund (the "Fund"): Investment objective and target benchmark change

We are writing to inform you of certain changes to the investment objective and target benchmark of the Fund, in which you are invested.

The changes described in this letter will take effect from 1 July 2023 (the "Effective Date").

The changes described in this letter 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.

There will be no change to the way in which the Fund is managed or its risk profile as a result of these changes.

Proposed changes and rationale

With effect from the Effective Date:

1. The Fund's target benchmark will change from the **Russell 2000 Lagged (Gross Total Return) index** to the **Russell 2000 Lagged (Net Total Return) index**
2. The investment objective of the Fund as set out in the Prospectus will change to reflect the new target benchmark

The move to a net target benchmark brings the Fund in line with Schroders' preferred approach to equity target benchmarks in its Schroder Unit Trusts Limited fund range. It also aligns the actual returns that investors will receive more closely with the target benchmark, as a net target benchmark takes into account the tax paid on dividends, whereas a gross target benchmark does not. By allowing for the taxes payable on dividends, a net target benchmark reduces the total return from the target benchmark. This makes it a more accurate measure of our investment manager's ability to add value.



The Appendix to this letter sets out a table comparing the Fund's current target benchmark stated in the investment objective in the Prospectus and the new target benchmark after the Effective Date.

A full list of the Funds 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 or shares in another Schroders fund, free of any initial charge, at any time before the Effective Date.

Costs

The costs and expenses of the change will be borne by Schroder Unit Trusts Limited.

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 US 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 Russell 2000 Lagged (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 small-sized US companies.	The Fund aims to provide capital growth in excess of the Russell 2000 Lagged (Gross 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-sized US companies.

Unit Classes:

Fund Name	Accumulation / Income	Unit Class	ISIN
Schroder US Smaller Companies Fund	Accumulation	A	GB0007810152
Schroder US Smaller Companies Fund	Income	A	GB0007810046
Schroder US Smaller Companies Fund	Accumulation	S	GB00BGCC3Y03
Schroder US Smaller Companies Fund	Income	S	GB00BGCC3Z10
Schroder US Smaller Companies Fund	Accumulation	Z	GB00B7LDL923
Schroder US Smaller Companies Fund	Income	Z	GB00B7LDLC53

