

18 August 2023

Dear Sir/Madam

Schroder Strategic Bond Fund: Investment policy change and new comparator benchmark

We are writing to inform you of a change to the Schroder Strategic Bond Fund (the "Fund"), in which you are invested and the introduction of a new benchmark against which you can compare the performance of the Fund.

The changes described in this letter will take effect from 18 September 2023 (the "Effective Date").

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.

With effect from the Effective Date:

1. The investment policy of the Fund will be clarified to explain that the Fund can invest up to 15% in contingent convertible securities. Contingent convertibles are securities issued by banks, such as bonds which automatically convert into equity shares if, and when, a contractually pre-defined event occurs.

The clarification is being made following a review of our fund range and our commitment to enhance transparency for investors on the way our funds are invested. We believe it's important to have specific wording relating to the Fund's investment in contingent convertible securities in the investment policy to increase the transparency of the instruments used and the limit applied.

2. The Bloomberg Multiverse ex treasuries A+-B- GBP hedged (the "Index") will be added as a comparator index. This comparator benchmark will enable you to assess the Fund's performance against a relatable index. This comparator index is considered relatable as it incorporates the key markets that the Fund may access, taking into account the global nature of the Fund and its freedom to allocate between investment grade and high yield. The Fund has the flexibility to invest in sovereigns but focuses more on credit as a source of investment returns, and as such excluding treasuries from the comparator benchmark is appropriate.

There will be no change to the nature or purpose of the Fund, or its risk profile as a result of these changes. The changes will not alter how the Fund is being managed and there will be no repositioning of the Fund's portfolio



and therefore no related costs. An additional risk disclaimer will be added to the prospectus and key investor information document (KIID) as a result of the change, which is shown in the appendix.

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

The unit classes affected are also 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

The costs and expenses associated with making these changes 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 Strategic Bond Fund

Comparison table:

Current Investment Policy	Investment Policy from the Effective Date
<p>The Fund is actively managed and invests at least 80% of its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies, supra-national and corporate issuers worldwide.</p> <p>The Fund may invest up to 40% of its assets in asset backed securities and mortgage backed securities.</p> <p>The Fund may invest up to 50% of its assets in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, or in unrated securities.</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 or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus)</p>	<p>The Fund is actively managed and invests at least 80% of its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies, supra-national and corporate issuers worldwide.</p> <p>The Fund may invest up to 40% of its assets in asset backed securities and mortgage backed securities.</p> <p>The Fund may invest up to 15% of its assets in contingent convertible securities.</p> <p>The Fund may invest up to 50% of its assets in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, or in unrated securities.</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 or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus)</p>

Additional risk disclaimer

Contingent Convertible Bonds Risk
The Fund may invest in contingent convertible bonds which are bonds that convert to shares if the bond issuer's financial health deteriorates. A reduction in the financial strength of the issuer may result in losses to the Fund.

Unit classes

Fund Name	Income / Accumulation	Class	ISIN
Schroder Strategic Bond Fund	Accumulation	A	GB00B4L0PL26
Schroder Strategic Bond Fund	Income	A	GB00B6YVDD49



Schroder Strategic Bond Fund	Accumulation	L	GB00B71PW951
Schroder Strategic Bond Fund	Income	L	GB00B73PWF95
Schroder Strategic Bond Fund	Income	X	GB00B45SM661
Schroder Strategic Bond Fund	Accumulation	Z	GB00B7FPS593
Schroder Strategic Bond Fund	Income	Z	GB00B717KH50
Schroder Strategic Bond Fund	Accumulation	S	GB00BJRSW254
Schroder Strategic Bond Fund	Accumulation	Q	GB00BJRSX666
Schroder Strategic Bond Fund	Income	Q	GB00BJRSX773