

24 January 2025

Dear Sir/Madam,

Schroder Sustainable Future Multi-Asset Fund: Sustainability Mixed Goals label

We are writing to inform you of changes to the Schroder Sustainable Future Multi-Asset Fund (the "Fund"), in which you are invested.

The changes described in this letter will take effect from 1 April 2025 (the "Effective Date").

The 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.

Proposed changes and rationale

With effect from the Effective Date, the "Sustainability Mixed Goals" label will be applied to the Fund. This is one of four new fund labels introduced under the Financial Conduct Authority's Sustainability Disclosure Requirements ("SDR"), which are designed to indicate whether a fund is aligned with a particular sustainability goal. The Sustainability Mixed Goals label can be used by funds that aim to invest at least 70% of their portfolios in line with the objectives of two or more of the other SDR sustainability labels. In the case of the Fund, this will be a combination of the Sustainability Focus label (for assets that focus on sustainability for people or the planet) and the Sustainability Improvers label (for assets that have the potential to improve their sustainability for people or the planet over time).

To demonstrate that the Fund meets the new qualifying criteria for the label, a number of changes will be made:

1. **Updates to the investment objective** – to align with the requirements for sustainability objectives under SDR. Detail will be added on the positive sustainability outcomes sought by the Fund and how this is measured.
2. **Updates to the investment policy** – to reflect:
 - **A commitment to invest at least 70% of the Fund's assets in low carbon investments or decarbonising investments, determined with reference to a robust, evidence-based standard of sustainability.** The Fund currently commits to investing two thirds of its assets in line with its existing sustainability criteria. We are updating this so that the Fund commits to invest at least 70%



of its assets in low carbon investments (aligned with the Sustainability Focus label requirements) or decarbonising investments (aligned with the Sustainability Improvers label requirements).

- **Cross references to new, more detailed content on sustainability.** We will present the additional disclosures required under SDR after the investment objective and policy for ease of reference for investors, and we will include some cross references to this content within the investment policy to aid navigation.
 - **Removal of legacy wording on sustainability.** We will remove some legacy wording on sustainability that we believe is no longer appropriate post-SDR. Please note that there will be no change to the way the Fund is managed in practice as a result of the removal of this wording.
3. **Replacement of the existing “Sustainability Criteria” section with a new, more detailed table.** The current content set out under “Sustainability Criteria” in the Fund Characteristics section will be removed and a new table will be added which includes additional content required under SDR.

There will be no change to the risk profile of the Fund as a result of these changes.

A breakdown of the changes to the investment objective and policy, as well as the unit classes affected by these changes, is shown in the Appendices to this letter. The new Sustainability Criteria table can be reviewed in the prospectus from the Effective Date.

From the Effective Date, we will also publish a new “**consumer facing disclosure**”, which is a two-page document designed to summarise the key sustainability features of the Fund and how it performs against its sustainability commitments. This can be accessed from the Effective Date via the Fund’s webpage:

<https://www.schroders.com/en-gb/uk/individual/fund-centre/>.

Costs

The costs and expenses associated with making these changes will be borne by Schroder Unit Trusts Limited.

Your options

We hope that you will remain invested in the Fund, but you are entitled to switch your units 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. Alternatively, you can call a member of our Investor Services Team on the number in the letterhead. Please be aware that Schroder Unit Trusts Limited does not offer investment advice.

Yours faithfully,



Paul Truscott
Director
Schroder Unit Trusts Limited

Appendix 1:

Please note: references to content “below” in the new investment policy relate to the Fund’s sustainability criteria table in the prospectus.

Current Investment Objective	New Investment Objective
<p>The Fund aims to provide capital growth and income of the ICE BofA Sterling 3-Month Government Bill Index plus 3.5% per annum (before fees have been deducted*) over a five to seven year period by investing in a diversified range of assets and markets worldwide which meet the Investment Manager’s sustainability criteria. This cannot be guaranteed and could change according to prevailing market conditions. Your capital is at risk.</p> <p>The Fund aims to achieve this with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a five to seven year period of between 50% to 67% of that of global stock markets (represented by the MSCI All Country World GBP hedged index).</p> <p>*For the target return after fees for each unit class please visit the Schroder website https://www.schroders.com/en/uk/private-investor/investing-with-us/historical-ongoingcharges/</p>	<p>The Fund aims to provide capital growth and income of the ICE BofA Sterling 3-Month Government Bill Index plus 3.5% per annum (before fees have been deducted*) over a five to seven year period by investing in a diversified range of assets and markets worldwide which the Investment Manager deems to be:</p> <ul style="list-style-type: none"> - low carbon investments – companies or countries that are operating at a greenhouse gas (GHG) intensity below the level required to meet net zero GHG emissions by 2050 (net zero), based on their most recently reported or estimated emissions. This portion of the Fund is aligned with the “Sustainability Focus” label requirements. <p>or</p> <ul style="list-style-type: none"> - decarbonising investments – companies or countries that have the potential to reduce their GHG intensity below the level required to meet net zero, based on the targets those issuers have publicly committed to and/or evidence of previous emissions reductions. This portion of the Fund is aligned with the “Sustainability Improvers” label requirements. <p>The Fund aims to achieve this with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a five to seven year period of between 50% to 67% of that of global stock markets (represented by the MSCI All Country World GBP hedged index).</p> <p>*For the target return after fees for each unit class please visit the Schroders website https://www.schroders.com/en/uk/private-investor/investing-with-us/historical-ongoing-charges/</p>
Current Investment Policy	New Investment Policy
<p>The Fund is actively managed and invests its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative asset classes worldwide (including emerging</p>	<p>The Fund is actively managed and invests its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative asset classes worldwide (including emerging markets and less developed markets). Alternative assets</p>



markets and less developed markets). Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate, private equity and commodities. The weightings of these holdings are adjusted in response to changing market conditions.

The Fund invests at least two-thirds in assets which meet the Investment Manager's sustainability criteria (please see the Fund Characteristics section for more details). The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years. The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <https://www.schroders.com/en-gb/uk/individual/what-we-do/sustainable-investing/>

The Fund may invest more than 10% of its assets in collective investment schemes (including other Schroder funds).

The Fund may also invest in warrants and money market instruments, and may hold cash.

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 5 of Appendix I of the Prospectus). The Fund may use leverage and take short positions.

may include funds that use absolute return strategies or funds that invest indirectly in real estate, private equity and commodities. The weightings of these holdings are adjusted in response to changing market conditions. The Fund may invest more than 10% of its assets in collective investment schemes (including other Schroder funds). The Fund may also invest in warrants and money market instruments, and may hold cash. 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 5 of Appendix I of the Prospectus). The Fund may use leverage and take short positions.

The Fund invests at least 70% of its portfolio in assets which the Investment Manager deems to be:

1. **Low carbon investments** – these are companies or countries which are operating at a GHG intensity below the level required to meet net zero GHG emissions by 2050, in line with the EU Technical Expert Group (TEG) on Sustainable Finance's recommendation¹ that the global economy should decrease emissions by 7% per year (which equates to approximately a 90% reduction from 2020 levels to 2050). Companies whose GHG intensity is 90% lower than the average intensity of their industry group in 2020 are therefore classified as low carbon. Countries are classified as low carbon if their GHG intensity is 90% below 2020 levels. GHG intensity is calculated using scope 1 and 2 emissions divided by a company's sales (tonnes of carbon equivalent per \$1 million of sales), or a country's nominal gross domestic product (tonnes of carbon equivalent per \$1 million of nominal GDP). The calculation is based on the most recent reported data available (or where an issuer has not reported emissions data, estimated data may be used).
2. **Decarbonising investments** – these are companies or countries that have the potential to achieve a GHG intensity below the level required to meet net zero, based on the targets those companies or governments have publicly committed to or evidence of previous emissions reductions.

A company can demonstrate this potential by meeting at least one of the following criteria:

- The company has set targets to reduce scope 1 and 2 emissions in the mid-term (5-

¹ In their [2019 report on climate benchmarks](#).

	<p>15 years) or long-term (>15 years), which translate to a company temperature alignment score of less than 2.5°C based on an industry-standard methodology (the CDP-WWF Temperature Scoring Methodology).</p> <ul style="list-style-type: none"> - The company has publicly committed to develop science-based emissions reduction targets and submit these to the Science Based Targets Initiative (SBTi) for validation within two years of their commitment. - The company has a downwards trend in scope 1 and 2 emissions intensity over the past six years. - The company's trend in scope 1 and 2 emissions intensity over the past six years is lower (i.e. it is decarbonising faster) than its respective industry group average trend over the same period. - The company's scope 1 and 2 emissions intensity, based on the most recently reported or estimated emissions, is below the level required for its relevant industry group to be in line with a 2°C pathway. <p>A country can demonstrate this potential if its government has publicly committed to mid-term (5-15 years) or long-term (>15 years) emissions reduction targets that are in line with achieving net zero, based on those countries having established "net zero" or equivalent national emissions reduction targets in the public Net Zero Tracker database, or similar other sources.</p> <p>Absolute emissions measure the total amount of emissions of the company, while emissions intensity measures emissions relative to a company's revenue. Scope 1 and 2 emissions come from a company's direct activities and indirect energy consumption. Please note that the assessments above do not include scope 3 emissions, which means that indirect emissions from a company's value chain are not taken into account.</p> <p>Please see "What is the Investment Manager's approach to sustainability?" below for more details on how the Investment Manager assesses sustainability (or the potential to achieve it) and why the Investment Manager believes that these standards of sustainability are appropriate.</p> <p>The Fund is not permitted to invest in any companies that conflict with the sustainability objective. Please see "What will the Investment Manager avoid investing in?" below for more details.</p>
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	<p>The Investment Manager also engages with selected issuers (for direct investments) and managers (for indirect investments) held by the Fund on sustainability issues. Please see “How does the Investment Manager engage with the investments it holds to support their contribution to the Fund’s sustainability objective?” below for more details.</p>
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Appendix 2:

Unit classes

Fund name	Income / Accumulation	Class	ISIN
Schroder Sustainable Future Multi-Asset Fund	Income	A	GB00B2Q1N677
Schroder Sustainable Future Multi-Asset Fund	Accumulation	X	GB00BYSQ5N52
Schroder Sustainable Future Multi-Asset Fund	Accumulation	Q1	GB00BJRSWL41
Schroder Sustainable Future Multi-Asset Fund	Accumulation	Z	GB00B2Q1N560
Schroder Sustainable Future Multi-Asset Fund	Income	Z	GB00B2Q1N909
Schroder Sustainable Future Multi-Asset Fund	Accumulation	Z EUR Hedged	GB00BZ6VSN04