

**SCHRODER ETFs ICAV**

**SUPPLEMENT**

**for**

**SCHRODER US EQUITY ACTIVE UCITS ETF**

**(the “Fund”)**

**DATED 18 March 2026**

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 18 March 2026. Unless otherwise defined herein, capitalised terms used in this Supplement shall have the meaning given to them in the Prospectus. To the extent that there is any inconsistency between the Supplement and the Prospectus, the Supplement shall prevail. The ICAV is a UCITS umbrella fund and details of the other Funds offered by the ICAV will be available on request.

<b>Investment Objective</b>	
<b>Investment Objective</b>	<p>The Fund aims to provide capital growth and income in excess of the S&amp;P 500 Index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of North American companies.</p> <p><b>There can be no assurance that the Fund will achieve its investment objective.</b></p>

<b>Investment Policy</b>	
<b>Investment Policy</b>	<p>The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity related securities of North American companies.</p> <p>The Fund focuses on companies that have certain “Value” and/or “Quality” characteristics, with these two fundamental anchors driving active positioning. “Value” is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. “Quality” is assessed by looking at indicators such as a company’s profitability, stability, financial strength, structural growth and governance.</p> <p>The Fund may invest in common stock, preferred stock, real estate investment trusts (REITs) and partnership interests. The equity-related securities in which the Fund may invest are depositary receipts (including American Depositary Receipts, Global Depositary Receipts, European Depositary Receipts, and Non-Voting Depositary Receipts), stapled securities (being a type of equity security that consists of two or more securities that must be bought and sold together), warrants and rights. The Fund will not generally actively invest in warrants and rights but may acquire them as a result of corporate actions. The Fund may invest in such other equity and equity-related securities that are consistent with the investment objective and policy of the Fund from time to time.</p> <p>The Fund may invest up to one-third of its assets in short-dated government bonds, Eligible Collective Investment Schemes (including money market funds and exchange traded funds), and term deposits with an Approved Bank for cash management purposes. The Fund may also hold cash.</p> <p>The Fund’s investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%.</p> <p>In relation to the Fund’s investment in REITs which will not exceed the weight in the S&amp;P 500 Index +5% of net assets, investments in eligible open-ended REITs will generally, for the purposes of this limitation, be considered to be investments in Eligible Collective Investment Schemes and so subject to the limit on investing in units or shares of Eligible Collective Investment Schemes. Investments in closed-ended REITs will generally be considered to be investments in transferable securities, provided that the closed-ended REITs in which the Fund may invest must: (i) be subject to corporate governance mechanisms which apply to companies or, in the case of contractual closed-ended funds, which are equivalent to those that apply to companies; (ii) be managed by an entity which is subject to national regulation for the purpose of investor protection; and (iii) satisfy the more general requirements that are applicable to transferable securities, and so subject to the Fund’s overall limits on investing in equity and equity-related securities as detailed in this section.</p> <p>The Fund will seek to qualify as an “Equity Fund” for German tax purposes by investing at least 50% of its gross asset value in equity securities. For further information, please refer to the section below titled “German Taxation”.</p>

## Investment Policy

### **Use of Financial Derivative Instruments**

The Fund may use the following financial derivative instruments with the aim of reducing risk and managing the Fund more efficiently: equity index futures, currency forwards, currency futures and non-deliverable forwards. The financial derivative instruments used by the Fund may be traded on an exchange or over-the-counter.

### **Investment Strategy**

The Fund follows an actively managed strategy designed to deliver incremental outperformance when compared to the S&P 500 Index (the "Benchmark"). The focus of the strategy is on delivering consistency in performance across the market cycle.

The Investment Manager analyses a broad equity universe to identify attractive opportunities, ensuring effective diversification, to manage risk and to avoid any extreme outcomes.

Stock selection for this strategy is grounded in the analysis of company fundamentals indicating value and business quality, as further detailed below. The advantage of investing in both "Value" and "Quality" is that, while both tend to outperform over time, they typically deliver returns at different stages of the economic cycle, creating the potential for outperformance across a broader range of market environments. "Value" is analysed using a wide variety of metrics, including dividends, cashflow, earnings and assets both on an absolute and relative basis. The Investment Manager's focus on "Quality" involves analysing companies with regard to five key attributes: profitability (returns on capital employed and margins), stability (operational volatility), financial strength (leverage and funding, servicing capacity, liquidity and asset quality), governance (board efficiency, pay, ownership, accounting standards) and structural growth (forecast sales & earnings growth, short term analyst revisions).

The Investment Manager also monitors the exposure of portfolios to other metrics, including "Momentum" and "Sentiment", as part of its approach to risk management to ensure a range of factors that can impact a company's risk-return profile are considered within the investment process. To monitor "Momentum" and "Sentiment", the Investment Manager assesses earnings and sales revisions, price momentum across multiple time windows, return consistency, and the probability of reversion (i.e. that share prices will return to their long-term average).

### **Description of the Benchmark**

The Benchmark is designed to represent the performance of the large-cap segment of the US equity market, as determined by S&P Dow Jones Indices. The Benchmark comprises 500 leading companies selected based on size, liquidity, and sector representation. Further information can be found at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

The Fund is actively managed in reference to the Benchmark. The Fund's investment universe is a broad equity universe which includes, but is not limited to, the components of the Benchmark. The Investment Manager will select securities in accordance with the investment strategy disclosed above, and so the Fund will vary in composition, risk and return from the Benchmark.

### **Sustainability-related Disclosure**

The Fund is an Article 8 fund for the purposes of SFDR.

The Fund promotes one or more of the following environmental and social characteristics:

Environment (Planet).

reducing greenhouse gas (GHG) emissions, which helps slow down climate change.

Society (People).

employee wellbeing

customer wellbeing

healthy, inclusive and connected communities

effective and accountable institutions

The Fund may not promote all characteristics at all times, depending on the composition of the Fund.

The Fund promotes these characteristics by investing at least 70% of its assets in issuers assessed and scored using Schroders' systematic proprietary model SustainEx™ and, as a result, having a higher overall sustainability score than the Benchmark. The sustainability score is derived from the scores of all eligible companies in the Fund's portfolio as measured by SustainEx™. SustainEx™ provides an estimate of the potential social and environmental 'costs' or 'benefits' that an issuer may create on a net basis. It does this by using a set of sustainability metrics for each company and quantifying them positively (for example when a company pays 'fair wages') and negatively (for example when a company emits carbon), to produce an aggregate notional measure of the effect that the issuer may have on society and the environment.

The Benchmark does not take into account the environmental and social characteristics promoted by the Fund and has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Investment Policy	
	<p>In addition, the Fund promotes these characteristics by investing at least 25% of its assets in sustainable investments, which are companies assessed and scored by SustainEx™ as making a positive contribution to Planet or People.</p> <p><i>Integration of Sustainability Risk</i></p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will take into account an assessment of the sustainability profile of companies when determining position sizing within the portfolio.</p> <p>Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflect areas such as business involvement, safety, employee welfare, supply chain management and data privacy.</p> <p>The primary sources of information include fundamental accounting data, Schrodgers' proprietary sustainability tools and third-party ESG data.</p> <p>The Investment Manager engages in active ownerships to identify sustainability risk considerations within its investment through constructive and committed engagement with management teams and wider stakeholders, as appropriate, at the issuers in which the Fund invests. The Investment Manager has six themes for engagement: climate change, natural capital and biodiversity, human rights, human capital management, diversity and inclusion, and corporate governance. Further information on the Investment Manager's approach to active ownership can be found at: <a href="https://www.schrodgers.com/en/global/individual/sustainability/active-ownership/">https://www.schrodgers.com/en/global/individual/sustainability/active-ownership/</a>.</p> <p><i>Taxonomy Regulation</i></p> <p>The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p><b>More information about the Fund's promotion of environmental and/or social characteristics and the Investment Manager's consideration of PAIs is available in the SFDR Annex appended to this Supplement.</b></p>
<b>Profile of a Typical Investor</b>	The Fund may be suitable for investors who are seeking long term growth potential offered through investment in equities.

Dealing in Shares in the Fund	
<b>Classes of Shares</b>	<p>The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares".</p> <p>The Shares issued in respect of this Fund will be listed and/or traded on a Relevant Stock Exchange. Only Authorised Participants may subscribe for and redeem Shares in the Fund directly with the ICAV in accordance with the Prospectus having regard to the information set out below.</p>
<b>Base Currency</b>	USD
<b>Minimum Subscription Amount</b>	Subscriptions will normally be accepted above 100,000 Shares or their cash equivalent. Such minimum amount may be reduced or increased in any case at the discretion of the Manager.
<b>Subscription Fee</b>	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
<b>Minimum Redemption Amount</b>	Redemptions will normally be accepted above 100,000 Shares or their cash equivalent. Such minimum amount may be reduced or increased in any case at the discretion of the Manager.
<b>Redemption Fee</b>	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.
<b>Initial Offer Period</b>	Beginning at 9.00 am (Irish time) on 19 March 2026 and terminating at 5.00 pm (Irish time) on 18 September 2026 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
<b>Initial Offer Price</b>	USD 10 per Share (together with any applicable Duties and Charges) or the unit of 10 in the relevant class currency of the Share Class (i.e. EUR 10, GBP 10, etc.).
<b>Business Day</b>	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
<b>Dealing Day</b>	Each Business Day, except (i) a day on which any exchange or market on which a substantial portion of the Fund's investments is traded, is closed; and/or (ii) such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided always that there shall be at least one Dealing Day per fortnight.

Dealing in Shares in the Fund	
	When dealings on any exchange or market are restricted or suspended, the Manager may, in consideration of prevailing market conditions or other relevant factors, determine whether such Business Day shall be a Dealing Day or not.
<b>Trade Cut-Off Time</b>	15:00 (UK time) on each Dealing Day or such other time as the Manager may determine on a case by case basis provided it is prior to the relevant Valuation Point.
<b>Valuation Point</b>	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
<b>Settlement Time</b>	In respect of subscriptions, one Business Day after the relevant Dealing Day (unless otherwise stipulated by the Manager or its delegate).  In respect of redemptions, one Business Day after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
<b>Distribution Frequency</b>	Accumulation Share Classes and Income Share Classes are available in the Fund. With respect to Income Share Classes, the Fund intends to distribute quarterly in accordance with the provisions set out in the "Distribution Policy" section of the Prospectus.
<b>Conversions of Shares</b>	As of the date of the Supplement, Shareholders are not permitted to seek conversion of their Shares in the Fund with Shares of another Fund. Shareholders may, however, seek the conversion of their Shares in the Fund with another class of Shares in the Fund.

Other Information	
<b>Fees and Expenses</b>	A TER will be paid out of the assets of each Class to the Manager. The TER for each Share Class will be up to 0.20% per annum of the Net Asset Value of the Share Class.  Hedged Classes will incur Transaction Costs of up to 0.03% per annum in addition to the TER.  This section should be read in conjunction with the section headed " <b>Fees, Costs and Expenses</b> " in the Prospectus.
<b>Risk Factors</b>	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the " <b>Risk Factors</b> " section of the Prospectus.
<b>Risk Management</b>	The ICAV will use the commitment approach for the purposes of calculating global exposure for the Fund. The Fund's total exposure will be limited to 100% of Net Asset Value using the commitment approach.  While it is not the Manager's intention to leverage the Fund, any leverage resulting from the use of FDIs will be done in accordance with the UCITS Regulations.  Further detail on the calculation of global exposure is set out in the financial derivative instrument risk management process of the Fund (" <b>RMP</b> "). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
<b>Relevant Stock Exchanges</b>	It is intended that the Shares will be listed and admitted for trading on a number of stock exchanges, including but not limited to the London Stock Exchange, SIX Swiss Exchange, Deutsche Borse and Borsa Italiana, but the ICAV does not warrant or guarantee that such listings will take place or continue to exist.
<b>German Taxation</b>	The Fund will invest more than 50% of the Fund's Gross Asset Value in equity participations as defined by the German Investment Tax Act and the related BMF circular dated 21 May 2019 (" <b>BMF Circular 2019/0415199</b> ") and as may be amended from time to time.  The relevant equity ratio for the Fund will be published on a daily basis on the Schroders German webpage at <a href="https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfscav/">https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfscav/</a> and on WM Daten.  Corporate actions, subscriptions, redemptions, rebalancing, and market fluctuations may cause the Fund's equity participation ratio to temporarily fall below the relevant threshold. In such cases, the Fund will take reasonable and timely measures to restore compliance upon becoming aware of the shortfall. Temporary declines in the equity participation ratio below the relevant threshold should generally not be considered breaches and do not result in adverse tax consequences for German investors, provided that the shortfall does not exceed 20 bank business days within a fiscal year.  For the purpose of this investment restriction, reference to equity participations include:  (A) shares in a company (which may not include depository receipts) that are admitted to trading on a stock exchange or admitted to, or included in another organised market which fulfils the criteria of a Regulated Market; and/or  (B) shares in a company other than a real estate company which is (i) resident in a Member State or in a member state of the European Economic Area, and where it is subject to, and not exempt from corporate income tax; or (ii) is a resident in any other state and subject to corporate income tax of at least 15%; and/or

Other Information	
	<p>(C) shares of a UCITS and/or of an alternative investment fund (an "AIF") that is not a partnership, which – as disclosed in their respective investment terms – are continuously invested with a minimum of more than 50% of their values in equity participations (an "Equity Fund") with 50% of the units of Equity Funds held by the Fund being taken into account as equity participations; and/or</p> <p>(D) shares of a UCITS and/or of an AIF that is not a partnership, which – as disclosed in their respective investment terms – are continuously invested with a minimum of at least 25% of their values in equity participations (a "Mixed Fund") with 25% of the units of Mixed Funds held by the Fund being taken into account as equity participations; and/or</p> <p>(E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or</p> <p>(F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.</p>
<b>Index Disclaimer</b>	<p>The "S&amp;P 500 Index" is a product of S&amp;P Dow Jones Indices LLC or its affiliates ("SPDJI"), and has been licensed for use by Schroder Investment Management Limited. S&amp;P®, S&amp;P 500®, SPX®, SPY®, US 500™, The 500™, iBoxx®, iTraxx® and CDX® are trademarks of S&amp;P Global, Inc. or its affiliates ("S&amp;P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Schroder Investment Management Limited. It is not possible to invest directly in an index. Schroder ETFs ICAV – Schroder US Equity Active UCITS ETF is not sponsored or sold by SPDJI, Dow Jones, S&amp;P, any of their respective affiliates (collectively, "S&amp;P Dow Jones Indices"). S&amp;P Dow Jones Indices do not make any representation or warranty, express or implied, to the owners of the Schroder ETFs ICAV – Schroder US Equity Active UCITS ETF or any member of the public regarding the advisability of investing in securities generally or in Schroder ETFs ICAV – Schroder US Equity Active UCITS ETF particularly or the ability of the S&amp;P 500 Index to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&amp;P Dow Jones Indices' only relationship to Schroder Investment Management Limited with respect to the S&amp;P 500 Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&amp;P Dow Jones Indices and/or its licensors. The S&amp;P 500 Index is determined, composed and calculated by S&amp;P Dow Jones Indices without regard to Schroder Investment Management Limited or the Schroder ETFs ICAV – Schroder US Equity Active UCITS ETF. S&amp;P Dow Jones Indices have no obligation to take the needs of Schroder Investment Management Limited or the owners of Schroder ETFs ICAV – Schroder US Equity Active UCITS ETF into consideration in determining, composing or calculating the S&amp;P 500 Index. S&amp;P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of Schroder ETFs ICAV – Schroder US Equity Active UCITS ETF. There is no assurance that investment products based on the S&amp;P 500 Index will accurately track index performance or provide positive investment returns. S&amp;P Dow Jones Indices LLC is not an investment adviser, commodity trading advisory, commodity pool operator, broker dealer, fiduciary, promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&amp;P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice. SPDJI provides indices that use environmental, social and/or governance (ESG) indicators (including, without limit, business involvement screens, conformance to voluntary corporate standards, GHG emissions data, and ESG scores) to select, weight and/or exclude constituents. ESG indicators seek to measure a company's, or an asset's performance, with respect to E, S and/or G criteria. ESG indicators are derived from publicly reported data, modelled data, or a combination of reported and modelled data. ESG indicators are based on a qualitative assessment due to the absence of well-defined uniform market standards and the use of multiple methodologies to assess ESG factors. No single clear, definitive test or framework (legal, regulatory, or otherwise) exists to determine labels such as, 'ESG', 'sustainable', 'good governance', 'no adverse environmental, social and/or other impacts', or other equivalently labelled objectives. Therefore, the exercise of subjective judgment is necessary. Different persons may classify the same investment, products and/or strategy differently regarding the foregoing labels.</p> <p>NEITHER S&amp;P DOW JONES INDICES NOR THIRD PARTY LICENSOR GUARANTEES THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE S&amp;P 500 INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&amp;P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&amp;P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY SCHRODER INVESTMENT MANAGEMENT LIMITED, OWNERS OF THE SCHRODER ETFS ICAV – SCHRODER US EQUITY ACTIVE UCITS ETF, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&amp;P 500 INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&amp;P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. S&amp;P DOW JONES INDICES HAS NOT REVIEWED, PREPARED AND/OR CERTIFIED ANY PORTION OF, NOR DOES S&amp;P DOW JONES INDICES HAVE ANY CONTROL OVER, THE LICENSEE PRODUCT REGISTRATION STATEMENT, PROSPECTUS OR OTHER OFFERING MATERIALS. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&amp;P DOW JONES INDICES AND SCHRODER INVESTMENT MANAGEMENT LIMITED, OTHER THAN THE LICENSORS OF S&amp;P DOW JONES INDICES.</p>

## Appendix I – Classes of Shares

The classes of Shares indicated with a 'Y' are available to launch at the discretion of the Manager.

The Manager may launch the following unhedged classes of Shares:

Fund Name	Fund Base Ccy	Valuation Currency	
		USD	
		Acc	Dist
Schroder US Equity Active UCITS ETF	USD	Y	Y

The Fund may launch the following hedged classes of Shares:

Fund Name	Fund Base Ccy	Share Class Currency into which the exposure is hedged	Acc	Dist
Schroder US Equity Active UCITS ETF	USD	AUD	Y	Y
		CAD	Y	Y
		CHF	Y	Y
		DKK	Y	Y
		EUR	Y	Y
		GBP	Y	Y
		HKD	Y	Y
		JPY	Y	Y
		MXN	Y	Y
		NOK	Y	Y
		NZD	Y	Y
		SEK	Y	Y
		SGD	Y	Y

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Schroder US Equity Active UCITS ETF

**Legal entity identifier:** 636700ZKDZ43SWDXK009

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
●● <input type="checkbox"/> Yes	●○ <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective ___%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of <b>25.00%</b> of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes one or more of the following environmental and social characteristics:

- Environment (Planet).
  - reducing greenhouse gas (GHG) emissions, which helps slow down climate change.
- Society (People).
  - employee wellbeing
  - customer wellbeing
  - healthy, inclusive and connected communities
  - effective and accountable institutions

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund may not promote all characteristics at all times, depending on the composition of the Fund.

The Fund promotes these characteristics by investing at least 70% of its assets in issuers assessed and scored using Schroders' systematic proprietary model SustainEx™ and, as a result, having a higher overall sustainability score than the S&P 500 Index (the "Benchmark"). The sustainability score is derived from the scores of all eligible companies in the Fund's portfolio as measured by SustainEx™. The Benchmark does not take into account the environmental and social characteristics promoted by the Fund and has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

In addition, the Fund promotes these characteristics by investing at least 25% of its assets in sustainable investments, which are companies assessed and scored by SustainEx™ as making a positive contribution to Planet or People.

SustainEx™ produces an assessment of a company's effect on a defined set of benefits and costs for people and the planet, which are then combined to calculate an overall sustainability score for the company. Some metrics within SustainEx™ are almost always positive (for example, when a company provides power, access to water, sanitation services or medicines) and some are almost always negative (for example, when a company emits carbon and other greenhouse gases (GHG), produces food waste or uses water unsustainably). Some can be both positive and negative depending on a company's approach to them (or example, paying living wages

generates a benefit while paying less than a living wage generates a cost). The overall score of a company is measured relative to the revenue a company generates from its products and services (the company's sales) so, if a company scores +2%, this means that for every £100 sales the company generates, it would provide a positive contribution to society and the environment of £2.

In exceptional cases, SustainEx™ does not provide a fair reflection of a company's contribution. In these circumstances, the Investment Manager can refer such investments to Schroders' Sustainable Investment Panel (the Panel), an independent panel of experts. The Panel reviews additional robust evidence provided by the Investment Manager to determine whether, if such evidence were available to SustainEx™, the investment would achieve a positive score. This could be relevant where SustainEx™ does not capture an area of positive contribution – such as where a company produces a particularly sustainable product whose importance to people or the planet is not fully captured by the company's overall score. Alternatively, it could be relevant where the Investment Manager is able to supply additional data to enhance a calculation – such as where a company does not publish details of employee salaries, but the Investment Manager is able to obtain or more accurately estimate this from other sources. The Panel comprises sustainability specialists from Schroders' Sustainable Investment team and senior representatives from Schroders' Legal, Investment Risk and Compliance teams. The Panel's decisions are documented and once an investment has been approved as sustainable, this status is incorporated into portfolio compliance coding for the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator used to measure the characteristics promoted by the Fund is the weighted average sustainability score of the Fund compared against the weighted average sustainability score of the

Benchmark (measured using SustainEx™) over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage. The Fund will maintain a higher sustainability score than the Benchmark based on the above calculation methodology.

The other sustainability indicator used to measure the characteristics promoted by the Fund is the amount invested in sustainable investments (measured by the sustainability score of each asset in SustainEx™ and/or whether an asset is deemed sustainable on an exceptional basis by Schroders via the Panel, as described in the section above titled “**What environmental and/or social characteristics are promoted by this financial product?**”). Compliance with the commitment to invest at least 25% of the Fund's assets in sustainable investments is monitored daily via our automated compliance controls.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect on across a range of environmental or social objectives, as scored by Schroders' proprietary tool SustainEx™ and/or contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by the Investment Manager.

The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at <https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/>.

The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

The 'global norms' breach list takes account of assessments performed by third party providers but the 'global norms' breach list represents a proprietary methodology grounded in proprietary research. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on the 'global norms' breach list. The Investment Manager can seek a fund-level derogation from a committee of Schroders Group to invest in an individual company included on the 'global norms' breach list if the exclusion would inhibit the implementation of the investment strategy because, for example, a company on the 'global norms' breach list is a significant proportion of the Fund's investment. In this context, a significant proportion of the Fund's investments would be at least 3% of the NAV of the Fund.

The Fund may also apply certain other exclusions in addition to those summarised above.

The thresholds applied to the exclusions referred to herein can be found under the heading "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?". Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage <https://www.schroders.com/en-ie/ie/individual/fund-centre/>

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

● ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

**PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

**PAI 8** (Emissions to water)

**PAI 9** (Hazardous waste and radioactive waste ratio)

**PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

**PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

**PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

● ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard. Within the proprietary sustainability framework applied within the Fund's quantitative investment process, the following aspects are taken into account:

Greenhouse gas emissions, greenhouse gas intensity of investment companies (including carbon footprint), exposure to companies active in the fossil fuel sector: PAI 1, 2, 3 and 4.

Activities negatively affecting biodiversity sensitive areas, emissions to water, hazardous waste: PAI 7, 8 and 9.

Unadjusted gender pay gap, board diversity: PAI 12 and 13.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with investee companies on the subject of climate change, where we seek to understand a range of companies' transition to net zero and the strategies and policies in place to manage decarbonisation efforts. These engagements relate to PAI 1, 2, 3, 4, 5 and 6.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at <https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85>. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund maintains a higher overall sustainability score than the Benchmark, based on SustainEx™.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via <https://www.schroders.com/en-ie/ie/individual/fund-centre/>, as further detailed in the section titled "**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**" below.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will take into account an assessment of the sustainability profile of companies when determining position sizing within the portfolio.

Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflect areas such as business involvement, safety, employee welfare, supply chain management and data privacy.

The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage <https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/>

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### ● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Benchmark based on Schroders' proprietary tool SustainEx™.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies:
- The Fund applies exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons (for which there is no revenue threshold).
- The Fund also excludes companies that derive revenues above certain thresholds (as disclosed below) from activities related to tobacco and thermal coal, specifically companies that generate at least 10% of their revenues from tobacco production, companies that generate at least 25% of their revenues from the tobacco value chain (such as suppliers, distributors, retailers and licensors), companies that generate at least 10% of their revenues from thermal coal mining and companies that generate at least 30% of their revenues from coal fired power generation.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in

order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage <https://www.schroders.com/en-ie/ie/individual/fund-centre/>

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### ● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### ● What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. In applying the Good Governance Test, the Investment Manager considers a number of metrics under each category (for example in the case of employee relations, the metrics are turnover, strikes, health and safety) and assigns each metric a score. The combined score must be greater than 14 (out of a maximum score of 16) for a company to be considered to have good governance practices. The scorecard is refreshed on a quarterly basis.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis, such as information which has not been included in determining the issuer's score as it is not publicly available but has been made available to the Investment Manager by the issuer through engagement or otherwise.



## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

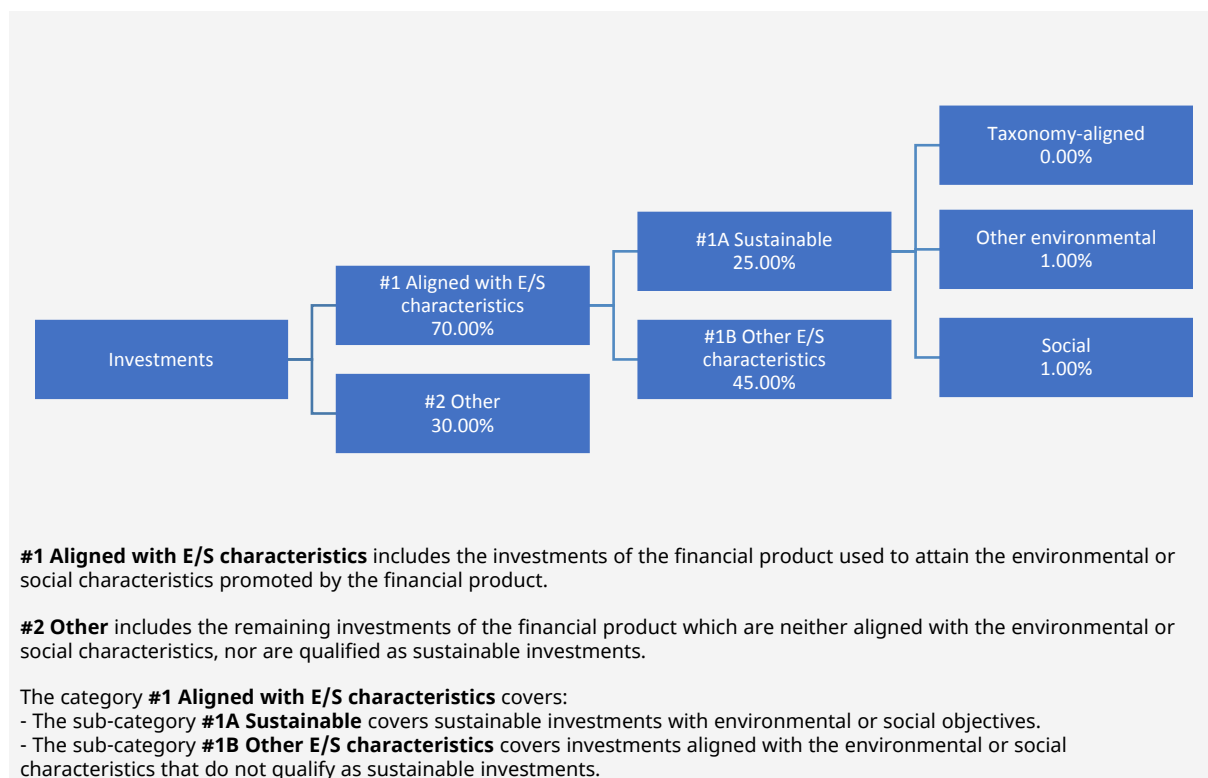
**#1 Aligned with E/S characteristics** includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Benchmark, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool SustainEx™ are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by SustainEx™ and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by the Investment Manager. A sustainable investment scored by SustainEx™ is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

**#2 Other** includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 The minimum proportion stated applies in normal market conditions.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For

**nuclear energy**, the criteria include comprehensive safety and waste management rules.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

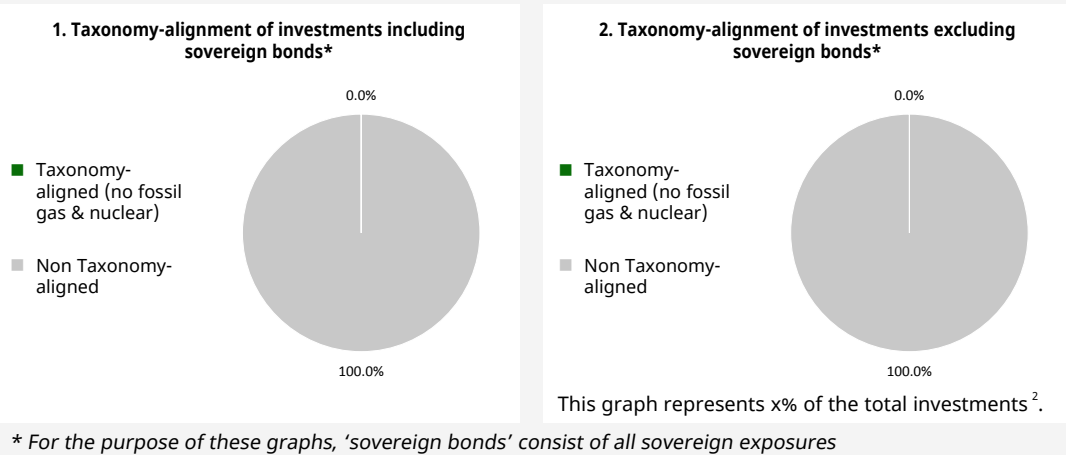
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

disclose to what extent the Fund’s investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy <sup>1</sup>?**

- Yes:  
 In fossil gas  In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



● **What is the minimum share of investments in transitional and enabling activities?**

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund’s portfolio.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.  
<sup>2</sup> As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. While the Fund commits 25% of its assets to sustainable investments, this minimum proportion will be dynamically allocated between "other environmental" and "social" sustainable investments as required at any one time. As such, while the Fund has an overall commitment of 25%, the Fund commits a 1% minimum proportion to either "other environmental" and "social" sustainable investments at any one time.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective. While the Fund commits 25% of its assets to sustainable investments, this minimum proportion will be dynamically allocated between "other environmental" and "social" sustainable investments as required at any one time. As such, while the Fund has an overall commitment of 25%, the Fund commits a 1% minimum proportion to either "other environmental" and "social" sustainable investments at any one time.



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

**#2 Other** includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

This question is not applicable for the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**  
This question is not applicable for the Fund.
- **How does the designated index differ from a relevant broad market index?**  
This question is not applicable for the Fund.
- **Where can the methodology used for the calculation of the designated index be found?**  
This question is not applicable for the Fund.



## **Where can I find more product specific information online?**

More product-specific information can be found on the webpage <https://www.schroders.com/en-ie/ie/individual/fund-centre/>