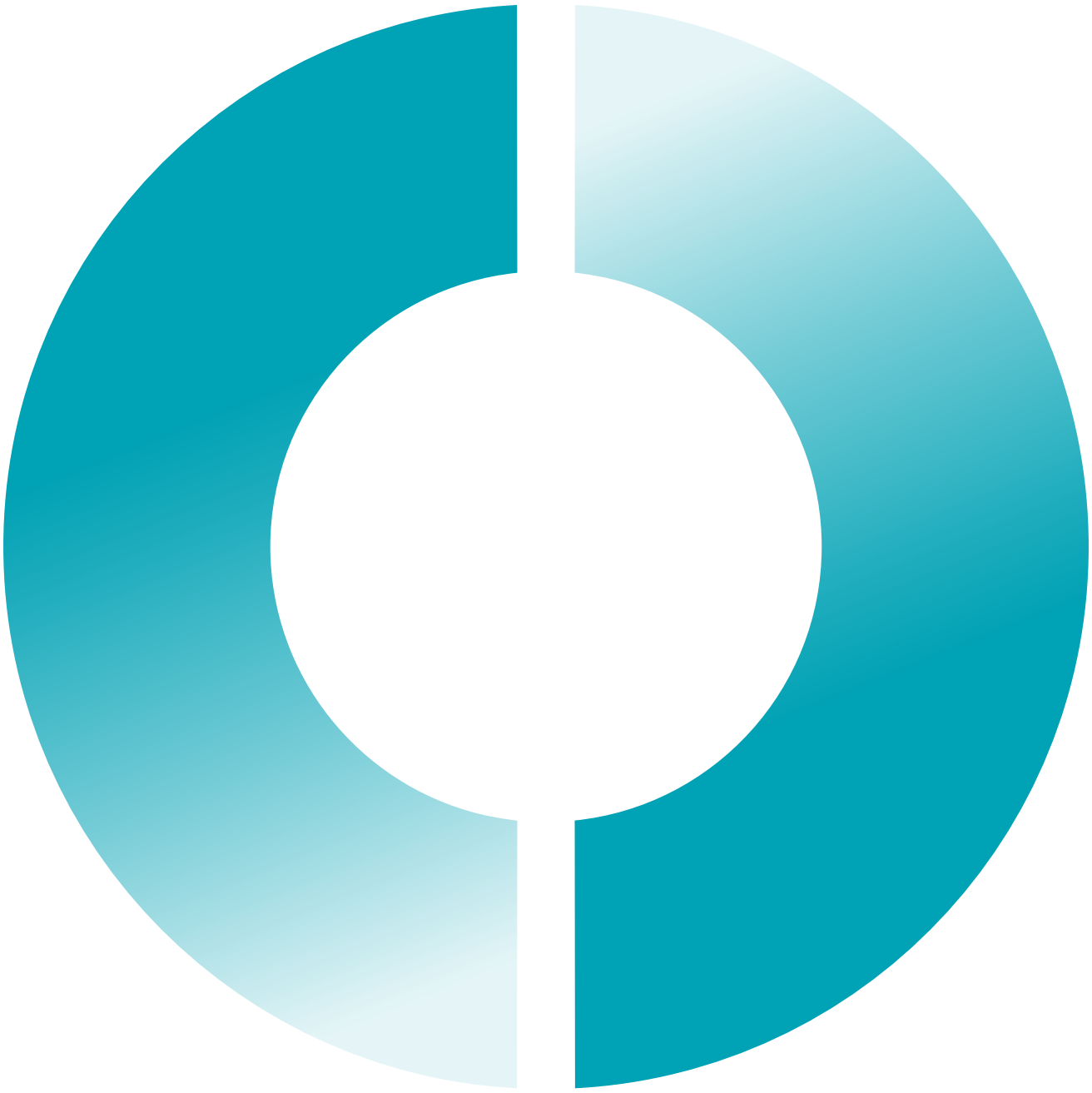
Schroder ETFs ICAV

Prospectus

DATED 30 July 2026

Ireland



(an Irish collective asset-management vehicle with variable capital with registered number C550267 and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

The Directors of the ICAV whose names appear on page iii accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information

Schroders

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Schroder ETFs ICAV

(an Irish collective asset-management vehicle with variable capital with registered number C550267 and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

PROSPECTUS

for

Schroder ETFs ICAV

DATED 30 JULY 2026

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE ICAV AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, LEGAL ADVISER, ACCOUNTANT, OR OTHER FINANCIAL ADVISER.

Certain terms used in this Prospectus are defined on pages 2 to 6 of this document.

Central Bank Authorisation

The ICAV has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations and registered as an Irish collective asset-management vehicle pursuant to the Irish ICAV Act. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the ICAV by the Central Bank does not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV or of any Fund.

Investment Risks

There can be no assurance that a Fund will achieve its investment objective. It should be appreciated that the value of Shares and any income arising from them is not guaranteed and may go down as well as up. This is because the Share price is determined by changing conditions in the market(s) in which a Fund invests. An investment in a Fund involves investment risks, including possible loss of the entire amount invested.

Listing on a Stock Exchange

The intention of the ICAV is for each of the Funds to qualify as exchange-traded funds through listing and trading Shares on one or more Relevant Stock Exchange(s).

The approval of any listing particulars pursuant to the listing requirements of the Relevant Stock Exchange does not constitute a warranty or representation by such Relevant Stock Exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

Neither the admission of the Shares to the Relevant Stock Exchange(s) nor the approval of any relevant listing particulars pursuant to the listing requirements of the Relevant Stock Exchange(s) shall constitute a warranty or representation by the Relevant Stock Exchange(s) as to the competence of the service providers or any other party connected with the ICAV, the adequacy of information contained in the relevant listing particulars or the Prospectus or the suitability of the ICAV or any of its Funds (or Classes thereof) for investment purposes. Neither the delivery of the listing particulars, nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus.

It is possible that in certain jurisdictions, parties entirely unaffiliated with the ICAV or the Manager, may make the Shares of any Fund available for investment by investors in those jurisdictions through off market (or over the counter) trading mechanisms. Neither the ICAV, nor the Manager, endorse or promote such activities and are not in any way connected to such parties or these activities and do not accept any liability in relation to their operation and trading.

For details of where the Funds are listed or admitted for trading, please refer to the Fund Centre at www.schroders.com.

Selling Restrictions

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile.

Authorised intermediaries which offer, recommend or sell Shares in a Fund must comply with all laws, regulations and regulatory requirements applicable to them. Also, such intermediaries should consider such information about the Fund as is made available by the Investment Manager for the purposes of the EU's product governance regime under MiFID II including, without limitation, target market information.

Before investing in a Fund an investor shall be required to confirm whether the investor is Irish Resident for tax purposes.

Notice to Investors in the UK

The ICAV is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "Act"). The Prospectus will be distributed in the United Kingdom by or on behalf of the ICAV and is approved by Schroder Investment Management Limited, which is regulated by Financial Conduct Authority.

Schroder Investment Management Limited is acting for the ICAV in relation to the Prospectus and all matters relating to it. Schroder Investment Management Limited or any of its associates may have an interest or position in Shares. It is not acting for, or advising or treating as its customer, any other person (unless other arrangements apply between Schroder Investment Management Limited and such person) in relation to investment in the ICAV.

Marketing Rules

Shares are offered only on the basis of the information contained in the current Prospectus, the relevant key information document and the latest audited annual accounts and any subsequent half-yearly report. Investors should note that the auditor's report on the ICAV's annual accounts is made only to the ICAV and the Shareholders as a body at the date of the auditor's report.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent there is any inconsistency between the English language Prospectus and this Prospectus in another language, this English language Prospectus will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Ireland.

This Prospectus should be read in its entirety before making an application for Shares.

Qualified Holders

Investors are required to notify the Administrator immediately in the event that they cease to be a Qualified Holder.

Schroder ETFs ICAV

Directors

Gerald Brady
Joanne Joyce
Tom Stapleton

Manager

Schroder Investment Management (Europe) S.A.
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Grand Duchy of Luxembourg

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London
EC2Y 5AU
United Kingdom

Depositary

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Ireland

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Registered Office

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1. Definitions

In this Prospectus, the following words and phrases shall have the meanings indicated below:

1933 Act

the US Securities Act of 1933 (as amended)

Accumulation Shares

a class of Shares in a Fund in respect of which the net income and realised and unrealised capital gains net of realised and unrealised losses arising will be retained within the Fund and reflected in the Net Asset Value of such Shares

Administrator

J.P. Morgan Administration Services (Ireland) Limited

Administration Agreement

the agreement dated 8 August 2025 between the Manager, the ICAV and the Administrator pursuant to which the latter was appointed administrator, registrar and transfer agent of the ICAV

AIMA

the Alternative Investment Management Association

Application Form

any application form to be completed by subscribers for Shares as prescribed by the ICAV or its delegate from time to time

Approved Bank

a credit institution which has its registered office in a Member State or in a signatory state, other than a Member State, to the Basle Capital Convergence Agreement of July 1988 or in a third country where it is subject to prudential rules equivalent to those laid down in EU law in accordance with the procedure laid down in Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and Council of 26 June 2013 on prudential requirements for credit institutions and investment firms

Authorised Participant

a market maker, broker entity or institutional investor which is registered with the ICAV as an authorised participant and therefore able to instruct subscriptions and redemptions directly from, the ICAV for Shares in a Fund (i.e. in the Primary Market)

Authorised Participant Agreement

the agreement entered into by the ICAV with each Authorised Participant in respect of subscription for and redemption of Shares

Base Currency

the base currency of a Fund

Business Day

each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day

Cash Component

in relation to a Fund, the cash component of the Portfolio Composition File which is made up of four elements, namely, (i) the accrued dividend attributable to Shareholders of the Fund (generally dividends and interest earned less fees and expenses incurred since the previous distribution), (ii) cash amounts representing amounts arising as a result of rounding the number of Shares to be delivered, cash held by the Fund or amounts representing differences between the weightings of the Portfolio Composition File and the Fund, (iii) cash in lieu of any investments set out in the Portfolio Composition File, and (iv) any Duties and Charges which may occur in relation to the issue and/or redemption of Shares

Central Bank

the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the ICAV

Central Bank Regulations

the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as such may be amended, supplemented or replaced from time to time

Central Securities Depositary or CSD

a Recognised Clearing System, which is a national settlement system for individual national markets. For Funds that issue Shares through an ICSD, Central Securities Depositaries would be Participants in the ICSD

Class

any class of Shares

Class Currency

the currency in which Shares of a class are issued

Clearing Agent

any entity affiliated with one or more Relevant Stock Exchanges and which facilitates the validation, delivery and settlement of transactions in the Shares

Clearstream

Clearstream Banking Société Anonyme, Luxembourg

Common Depositary

an entity appointed as a depositary for the ICSD and nominated by the ICSD to hold the Global Share Certificate

Common Depositary's Nominee

the entity appointed by the Common Depositary and being the registered holder of the Shares

Creation Units

the minimum number of Shares for subscription in kind or the minimum number of Shares for redemption in kind, which shall be set out in the Supplement for the relevant Fund and as may be lowered by the Directors either generally or in any particular case

Data Protection Legislation

Irish Data Protection Acts 1988 to 2018, the General Data Protection Regulation (Regulation EU) 2016/679), the EU ePrivacy Directive 2002/58/EC (as amended) the European

Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011 and any relevant transposition of, or successor or replacement to, those laws (including, when they come into force, the ePrivacy Directive)

Dealing Day

has the meaning given to it in the relevant Supplement

Dematerialised Form

in relation to Shares, Shares the title to which is permitted to be transferred by means of a relevant system operated by an operator approved or recognised under the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 (S.I. No. 68 of 1996) and that is a participating security for the purpose of such regulations

Depositary

J.P. Morgan SE – Dublin Branch

Depositary Agreement

the agreement dated 8 August 2025 between the Manager, the ICAV and the Depositary pursuant to which the latter was appointed depositary of the ICAV

Directive

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of 23 July 2014

Directors

the directors of the ICAV for the time being and any duly constituted committee thereof

Duties and Charges

in relation to subscriptions and/or redemptions of Shares of any Fund on the Primary Market, the costs which may be charged to applicants in connection with the subscription or redemption of Shares, such as part or all of any of Transaction Costs; stamp and other duties; taxes; governmental charges; valuation fees; property management fees; agents fees; brokerage fees; bank charges; foreign exchange spreads; interest; depositary charges (relating to subscriptions and redemptions); transfer fees; registration fees; and all other duties and charges which, for the avoidance of doubt, includes, any provision for spreads (to take into account the difference between the price at which investments were valued for the purpose of calculating the Net Asset Value and the actual or estimated price at which such investments are or shall be bought as a result of a subscription or sold as a result of a redemption), whether in connection with the original acquisition or increase of the investments of the relevant Fund or the subscription, issue, sale, purchase, transfer, conversion or redemption of Shares, or the purchase or proposed purchase of investments or otherwise which may have become or will be payable in respect of or prior to or in connection with or arising out of or upon the occasion of any transaction or dealing in respect of which such duties and charges are payable on the issue and/or redemption of Shares, any charges associated with payments of cash in lieu of securities delivery as part of the Cash Component of a Portfolio Composition File, and any costs associated with the acquisition or disposition of investments while the relevant Regulated Market for the securities is closed, and costs associated with short settlement, long settlement, or any other non-standard settlement of subscriptions, redemptions, conversions or transfers of Shares

EEA

The European Economic Area

Eligible Collective Investment Scheme

UCITS established in Member States which are authorised under the Directive, and which may be listed on a Regulated Market in the EU and/or any of the following open-ended collective investment schemes:

(a) schemes established in Guernsey and authorised as Class A schemes;

(b) schemes established in Jersey as recognised funds;

(c) schemes established in the Isle of Man as authorised schemes;

(d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations; and

(e) alternative investment funds authorised in the EU, the EEA, the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations

EMIR

Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, as such may be amended, supplemented or replaced from time to time

ESMA

the European Securities and Markets Authority, or such replacement or successor authority as may be appointed from time to time

EU

The European Union

EUR or euro or €

the currency referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro

Euroclear

Euroclear Bank S.A. N.V. Belgium and any such successor in business thereto, as operator of the Euroclear clearing system, a Recognised Clearing System

FATCA

the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act

FCA

the Financial Conduct Authority or any successor regulatory entity

FDI or Financial Derivative Instruments

financial derivative instruments

Fund or Funds

any fund from time to time established by the ICAV as described in the Supplement for each Fund

Fund Cash Account

a cash account opened by the Manager in the name of the ICAV on behalf of a Fund into which: (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders

Global Share Certificate

the certificate issued in the name of the ICAV or Clearing Agent as appropriate (as described in further detail under "Subscriptions and Redemptions")

ICAV

Schroder ETFs ICAV, an Irish collective-asset management vehicle registered in Ireland pursuant to the ICAV Act and authorised pursuant to the UCITS Regulations

ICAV Act

the Irish Collective Asset-management Vehicles Act 2015, as may be amended, supplemented or replaced from time to time, including any regulations made by ministerial order thereunder and any conditions imposed thereunder by the Central Bank

ICSD

an International Central Securities Depositary

iNAV

an indicative net asset value for one or more classes of each of the Funds. The Manager will typically make iNAVs available for certain classes of the Funds where required by a Relevant Stock Exchange. Where the Manager elects to make an iNAV available on any Business Day, the iNAV will be calculated based upon information available during the trading day or any portion of the trading day and will ordinarily be based upon the then-current value of the assets/exposures of the relevant Fund on such Business Day

Income Shares

a class of Shares in a Fund in respect of which the net income and realised and unrealised capital gains net of realised and unrealised losses arising will be distributed

Initial Offer Period

the period during which Shares in a Fund are first offered for subscription as specified in the relevant Supplement for the relevant Fund

Initial Offer Price

the price at which a class of Shares is first offered as set out in the relevant Supplement for the relevant Fund

Instrument of Incorporation

the instrument of incorporation of the ICAV as may be amended from time to time in accordance with the requirements of the Central Bank

Investment Manager

Schroder Investment Management Limited

Investment Management Agreement

the agreement dated 8 August 2025 between the Manager, the ICAV and the Investment Manager pursuant to which the latter was appointed investment manager of the ICAV

Investor Money Regulations

the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers

IOSCO

International Organisation of Securities Commissions

Irish Resident

the definition more particularly set out in the section entitled "Taxation of the ICAV" of this Prospectus

KID

the key information document issued in respect of each Share class pursuant to the UCITS Regulations

KIID

the key investor information document issued in respect of each Share class pursuant to the UCITS Regulations

Manager

Schroder Investment Management (Europe) S.A.

Management Agreement

the agreement dated 8 August 2025 between the ICAV and the Manager pursuant to which the latter was appointed manager of the ICAV

Member State

a member state of the EU

MiFID

Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC

MiFID II

collectively, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 and the Markets in Financial Instruments (MiFIR) Regulation (EU) No 600/2014

Minimum Holding

such minimum value of a holding of Shares in any Fund as the Directors may determine, if any

Minimum Redemption Amount

the minimum amount which may be redeemed in a class of a Fund at any one time. For each class, the Minimum Redemption Amount shall be specified in the relevant Supplement and shall be specified as either: (i) a number of

Shares; or (ii) a cash amount in respect of which the applicable number of Shares shall at least equate in value to the cash amount specified. The Minimum Redemption Amount may be reduced or waived by the Manager in any case at its discretion

Minimum Subscription Amount

the minimum amount which may be subscribed for in a class of a Fund, at any one time. For each class, the Minimum Subscription Amount shall be specified in the relevant Supplement and shall be specified as either: (i) a number of Shares; or (ii) a cash amount in respect of which the applicable number of Shares shall at least equate in value to the cash amount specified. The Minimum Subscription Amount may be reduced or waived by the Manager in any case at its discretion

Moody's

Moody's Investor Services, Inc.

Net Asset Value or NAV

the Net Asset Value of the ICAV or of a Fund or class, as appropriate, calculated as described herein

Net Asset Value per Share

in respect of any Shares, the Net Asset Value attributable to the relevant Shares issued in respect of a Fund or class, divided by the number of Shares in issue in respect of the Fund or class rounded to such number of decimal places as the Directors may determine in accordance with the section entitled "Determination of Net Asset Value"

OECD

the Organisation for Economic Co-Operation and Development

OTC

over-the-counter

Participant

an accountholder in the ICSD, which may include Authorised Participants, their nominees or agents, who hold their interest in Shares of the Funds settled and/or cleared through the ICSD

Paying Agent

any entity appointed to act as paying agent to a Fund

Portfolio Composition File

the file setting out the investments and Cash Component which the ICAV is willing to accept on a subscription for Shares in satisfaction of the price of Shares thereof or which the ICAV will provide in respect of a properly submitted redemption request in satisfaction of the payment of redemption proceeds

Primary Market

a market on which the Shares of a Fund are subscribed for or redeemed (off exchange) directly with the ICAV

Prospectus

this document and any Supplement designed to be read and construed together with and to form part of this document

Qualified Holder

any person, corporation or entity other than a person, corporation or entity whose holding might result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or the investors as a whole specifically: (i) a US Person; (ii) an ERISA plan; or (iii) a custodian, nominee, or trustee for any person, corporation or entity described in (i) and (ii) above

Recognised Clearing System

any clearing system for the settlement of transactions in relation to the securities designated by the Revenue Commissioners of Ireland as a recognised clearing system for the purposes of Chapter 1(a) of Part 27 of the Taxes Consolidation Act, 1997 which at the date hereof comprise Clearstream Banking SA, Clearstream Banking AG, Euroclear, Crest UK, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG and NECIGEF (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.-the Dutch central institute for giro transferred securities), BNY Mellon, Central Securities Depository SA/NV, Central Moneymarkets Office, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Japan Securities Depository Centre, Monte Titoli SPA (Euronext Securities Milan), National Securities Clearing System, The Canadian Depository for Securities Ltd. and VPC AB

Recognised Rating Agency

Moody's, Standard and Poor's and any other internationally recognised rating agency equivalent to either of them

Redemption Fee

the charge, if any, payable to the Manager or such other person as the Manager may determine on a redemption for Shares as specified in the relevant Supplement

Regulated Market

any stock exchange or regulated market in the EU or a stock exchange or regulated market which is listed in Schedule 1 to this Prospectus, or such other markets as the Manager may from time to time determine to be a regulated market in accordance with the UCITS Regulations and which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State

Relevant Stock Exchange(s)

in respect of a Fund, the stock exchange(s) on which Shares of such Fund will be listed and/or admitted to trading

Remuneration Policy

the remuneration policy of the Manager

Revenue Commissioners

the Revenue Commissioners of Ireland

SEC

the Securities and Exchange Commission in the US

Secondary Market

a market on which Shares are traded between investors rather than with the ICAV itself, which may either take place on a Relevant Stock Exchange or over the counter

Securities Financing Transactions Regulation

Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as such may be amended, supplemented or replaced from time to time

Settlement Date

the time and date by which subscription monies in respect of a subscription order must be received by the Administrator or by which redemption monies in respect of a redemption must be paid, as specified in the Supplement for the relevant Fund

SFDR

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector and any associated regulatory technical standards, as may be amended, supplemented, consolidated or otherwise modified from time to time

Share or Shares

any class of share or shares in the ICAV or the Fund, as the context so requires

Shareholder

a holder of Shares

Standard and Poor's

Standard & Poor's Corporation

Sterling or GBP or Stg£

the lawful currency of the UK

Subscriber Shares

the initial share capital of two Shares of no par value subscribed for EUR 2

Supplement

any supplement to the Prospectus issued by the ICAV in relation to a Fund

Taxonomy Regulation

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending SFDR

TCA

the Taxes Consolidation Act, 1997, as amended from time to time

Trade Cut-Off Time

the time by which a subscription/redemption order must be received by the Administrator as set out in the Supplement for the relevant Fund

Transaction Costs

any costs and expenses incurred in respect of the buying and selling of portfolio securities and financial instruments as investments, including but not limited to brokerage fees and commissions, interest and taxes payable in respect of such purchase and sale transactions

UCITS

an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a Member State other than Ireland, the Directive or the relevant national legislation implementing the Directive

UCITS Regulations

the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as such may be amended, supplemented or replaced from time to time

UCITS Rules

the UCITS Regulations and the Central Bank Regulations, as such may be amended, supplemented or replaced from time to time

UK

the United Kingdom of Great Britain and Northern Ireland

US

the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction

US $ or US Dollar or USD

the lawful currency of the US

US Person

US Person" as defined in Regulation S under the 1933 Act

Valuation Point

the time on a Dealing Day at which the Administrator values the Fund for the purposes of determining the Net Asset Value of the Shares as specified in the Supplement for the relevant Fund

2. Introduction

The ICAV is an open-ended Irish collective asset-management vehicle established under the laws of Ireland pursuant to the ICAV Act and authorised as a UCITS ICAV pursuant to the UCITS Regulations and is managed by the Manager. The ICAV was registered on 20 December 2024 under registration number C550267 and was authorised by the Central Bank on 8 August 2025. Its sole object, as set out in Clause 2 of the Instrument of Incorporation, is the collective investment of its funds in property and giving members the benefit of the results of the management of its funds.

The ICAV is organised in the form of an umbrella fund with segregated liability between sub-funds. The Instrument of Incorporation provides that the ICAV may offer separate classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments.

The Directors may create Funds with the prior approval of the Central Bank.

A Fund may consist of one or more classes of Shares. A separate pool of assets will not be maintained for each class within a Fund. Initially, the classes of Shares set out in the Supplement will be issued in respect of a Fund. Further classes of Shares may be issued on advance notification to, and in accordance with the requirements of, the Central Bank.

3. Investment Objective and Policies of the Fund

The specific investment objective and policies of a Fund are set out in the Supplement for the relevant Fund.

A Fund aims to achieve its investment objective, while spreading investment risks through investment in transferable securities and liquid financial assets in accordance with the UCITS Regulations. The Regulated Markets on which a Fund's investments will be listed, traded or dealt are set out in Schedule 1.

The Funds may invest in Eligible Collective Investment Schemes, subject to the limits set out in Schedule 2 (which, for the avoidance of doubt, may include UK-domiciled collective investment schemes to the extent permitted by the Central Bank). However, no Fund will invest more than 10% in aggregate in Eligible Collective Investment Schemes unless specifically stated in the relevant Supplement. Investment in Eligible Collective Investment Schemes may include investing in other Funds. However, a Fund may not invest in another Fund or other Eligible Collective Investment Scheme which itself holds Shares in other Funds or other Eligible Collective Investment Schemes of more than 10% of its Net Asset Value. Where a Fund invests in another Fund, the investing Fund may not charge an annual management and/or investment management fee in respect of the portion of its assets invested in the other Fund. If the limits on investments contained in Schedule 2 are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, it shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of investors. Each Fund is also subject to the relevant investment policies as outlined herein and, in the case of a conflict between such policies and Schedule 2, the more restrictive limitation shall apply.

Any change in the investment objective and any material change in investment policies will be subject to the prior consent of Shareholders evidenced either by a majority vote at a meeting of Shareholders of the relevant Fund or by the written consent of all of the Shareholders. In accordance with the requirements of the Central Bank, "material" shall be taken to mean, although not exclusively, changes which would significantly alter the asset type, credit quality, borrowing limits or risk profile of a Fund. In the event of a change in the investment objective and/or investment policy of a Fund a reasonable notification period of at least 10 Business Days shall be provided by the ICAV to the Shareholders to enable investors to redeem their Shares prior to the implementation of the change. Please see the section of the Prospectus entitled "**Meetings**" for details regarding the procedures around meetings of Shareholders

Profile of a Typical Investor

The profile of a typical investor for a Fund shall be set out in the Supplement for the relevant Fund.

Classes of Shares

A list of the classes of Shares available in respect of a Fund and the characteristics of each such class are set out in the Supplement for the relevant Fund.

The ICAV reserves the right to vary the Minimum Subscription Amount, Minimum Redemption Amount and Minimum Holding in the future and may choose to waive these criteria. Variations to the requirements will be notified in advance to Shareholders.

Borrowing

A Fund may not borrow money, except as follows:

(a) a Fund may acquire foreign currency by means of a "back to back" loan. Foreign currency obtained in this manner is not classified as borrowing for the purpose of Regulation 103(1) of the UCITS Regulations, except to the extent that such foreign currency exceeds the value of a "back to back" deposit and where the offsetting deposit is not denominated in the Base Currency of the Fund, changes in the exchange rate between the Base Currency and the currency of the offsetting deposit may lead to a depreciation of the value of the offsetting deposit as expressed in the Base Currency; and

(b) a Fund may borrow up to 10% of its Net Asset Value, provided that such borrowing is on a temporary basis;

Foreign currency obtained under (a) above is not classed as borrowings for the purposes of the borrowing restrictions contained in the UCITS Regulations or (b) above, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 103 of the UCITS Regulations and (b) above.

Integration of Sustainability Risks

Pursuant to SFDR, the Manager is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Funds.

The Manager and the Investment Manager have adopted a policy in relation to the integration of sustainability risks into investment decisions for the Funds. The Manager's overall risk management processes include the consideration of sustainability risks alongside other factors in investment decision making. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Fund.

Sustainability risks will vary and depend on several factors including but not limited to the type, extent, complexity and duration of the event of condition, prevailing market conditions and the existence of mitigating factors. Sustainability risks that could negatively affect the value of a particular investment might include the following:

- *Environmental:* extreme weather events such as flooding and high winds; pollution incidents; damage to biodiversity or marine habitats.
- *Social:* labour strikes; health and safety incidents such as injuries or fatalities; product safety issues.
- *Governance:* tax fraud; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data.
- *Regulatory:* new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced.

Different asset classes, investment strategies and investment universes may require different approaches to the integration of such sustainability risks in investment decision-making. The Investment Manager will typically analyse potential investments by assessing (alongside other relevant considerations), for example, the overall costs and benefits to society and the environment that an issuer may generate or how the market value of an issuer may be influenced by individual sustainability risks such as a rise in carbon tax. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders – customers, employees, suppliers and regulators - including an assessment of whether those relationships are managed in a sustainable manner and, therefore, whether there are any material risks to the market value of the issuer.

The impact of some sustainability risks may have a value or cost that can be estimated through research or the use of proprietary or external tools. In such cases, it will be possible to incorporate this into more traditional financial analysis. An example of this might be the direct implications of an increase in carbon taxes that are applicable to an issuer, which can be incorporated into a financial model as an increased cost and/or as reduced sales. In other cases, such risks may be more difficult to quantify, and so the Investment Manager may seek to incorporate their potential impact in other ways whether explicitly, for example by reducing the expected future value of an issuer or implicitly, for example by adjusting the weighting of an issuer's securities in the Fund's portfolio depending on how strongly it believes a sustainability risk may affect that issuer. Sustainability risks are monitored on an ongoing basis as part of the Investment Manager's active portfolio management strategy.

A range of proprietary tools may be used to perform these assessments, along with supplementary metrics from external data providers and the Investment Manager's own due diligence, as appropriate. This analysis informs the Investment Manager's view of the potential impact of sustainability risks on a Fund's overall investment portfolio and, alongside other risk considerations, the likely financial returns of the Fund.

The Manager's risk management function provides independent oversight of portfolio exposures from a sustainability perspective. The oversight includes ensuring there is an independent assessment of sustainability risks within investment portfolios and adequate transparency and reporting on sustainability risk exposures.

More details on the management of sustainability risks and the Investment Manager's approach to sustainability are available on the internet site https://www.schroders.com/en/strategic-capabilities/sustainability/. Please also refer to the risk factor entitled "Sustainability Risks" in Section 7 of the Prospectus.

For the purposes of the Taxonomy Regulation, the extent to which a Fund's investments take into account the EU criteria for environmentally sustainable economic activities will be disclosed in the relevant Supplement.

Consideration of Principal Adverse Impacts

The Manager's principal adverse impact statement can be found on Schroders group site: https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.

The extent to which the Manager considers the principal adverse impacts of investment decisions on sustainability factors at the level of each Fund will be disclosed in the relevant Supplement.

Sustainability-related Disclosure

Where a Fund states that it invests a specific percentage of its assets (i) in sustainable investments as defined under SFDR; or (ii) to promote the environmental or social characteristics, that percentage may be breached on a temporary basis in exceptional circumstances, for example, where the Investment Manager adjusts the relevant Fund's exposure in response to adverse market and/or economic conditions and/or expected volatility, when in the Investment Manager's view to do so would be in the best interests of the Fund and its Shareholders.

Sustainability scores

Where a Fund states that it will achieve a certain sustainability score (whether overall, or in relation to a particular measure such as carbon intensity) compared to a named benchmark, this does not mean that the Fund is constrained by, or seeks to achieve a financial return relative to, that benchmark unless otherwise stated.

Any sustainability score, or other threshold specified within a Fund's Annex, will be measured over a period that the Investment Manager deems appropriate to that measure. For example, where a Fund states that it will maintain a higher overall sustainability score than a named benchmark, this means that the Fund's weighted average score using the Investment Manager's proprietary sustainability tool over the previous six-month period will be higher than the benchmark's score over the same period, based on month-end data. Where a Fund states that it will maintain a positive absolute sustainability score, this means that the Fund's weighted average score using the Investment Manager's proprietary sustainability tool over the previous six-month period will be higher than zero over the same period, based on month-end data.

Schroders' proprietary sustainability tool generates a score for a company or issuer by assessing them against relevant sustainability metrics, such as power provision, access to water, sanitation services and medicines, or carbon or greenhouse gas emissions, food waste production, or using water unsustainably.

Schroders' proprietary sustainability tools may utilise and be reliant on third party data (including third party estimates) as well as Schroders' own modelling assumptions, and the outcome may differ from other sustainability tools and measures. Schroders seeks to ensure that such third party data and estimates are accurate, but Schroders cannot confirm the accuracy, completeness and adequacy of such third party data and estimates. Third party data providers are subject to due diligence in accordance with Schroders' supplier selection and ongoing monitoring process. Further information on Schroders' supplier selection and ongoing monitoring process can be found at https://www.schroders.com/en/global/individual/corporate-transparency/working-with-suppliers-and-partners/supplier-code-of-conduct/. Third party data is subject to a data acceptability assessment by Schroders which assesses, among other things, the accuracy of the data and its coverage. Data quality checks are also performed on an ongoing basis which assists in identifying where and why data has changed, as well as highlighting potentially inaccurate data. A process is in place to promptly correct data errors if identified, by directly engaging with the relevant third party data vendor to query the data error and request updated data to be provided, and updating the relevant data point(s) in the proprietary tools into which the relevant data point(s) are inputted. To the extent a data error impacts a Fund in a material manner as determined by the Manager, investors in that Fund will be notified of such error, either by notice posted on the Fund's webpage (or otherwise disseminated) or in the Fund's periodic reports, as appropriate taking into account the nature of the error and its impact on the relevant Fund.

Generating scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and, as Schroders' proprietary sustainability tools evolve, changes made to how metrics are applied may result in changes to the score of any issuer and ultimately the overall Fund/portfolio score. At the same time, an issuer's performance might improve or deteriorate. An issuer will be scored across applicable metrics and may score higher or lower on some metrics than on others. The scores are combined to provide an overall net score for the issuer.

Schroders' proprietary sustainability tools may not cover all of a Fund's holdings, in which case Schroders may use a range of alternative methods to assess the relevant holdings. These alternative methods comprise sustainability assessments carried out by individual investment teams which are accredited bi-annually by the Investment Manager's Sustainable Investment team. Such assessments may include a proprietary ESG rating methodology, or ESG scorecards or "ranks" where issuers are assessed on multiple environmental and biodiversity, social and governance criteria. Additionally, the Investment Manager may incorporate third-party metrics, such as MSCI ESG ratings, to enhance its research in circumstances where the third-party metrics offer more detailed or more up-to-date information on a particular data point or offer better data coverage in certain areas. In addition, certain types of assets (such as cash) are treated as neutral and are therefore not considered by Schroders' proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by Schroders' proprietary tools and would be excluded from a Fund's sustainability score. This means that such holdings are excluded from the calculation of the environmental and/or social characteristics or sustainable investment objective of a Fund (as applicable).

For each Fund that promotes environmental and/or social characteristics (within the meaning of Article 8 SFDR) or has sustainable investment as its objective (within the meaning of Article 9 SFDR) information about such characteristics or objective is available in the Annex to the relevant Supplement.

4. Distribution policy

A Fund may issue Income or Accumulation Shares. It is not intended to pay dividends in respect of the Accumulation Shares. The income and other profits will be accumulated and reinvested in respect of these Shares.

Dividends will be paid out of net income and realised and unrealised gains net of realised and unrealised losses attributable to the Income Shares. Payment will be made to all Shareholders who held Shares at the relevant record date in the relevant month.

Dividends shall be paid by way of electronic transfer.

Net income earned on a day which is not a Business Day will be declared (subject as aforesaid) as a dividend on the immediately preceding Business Day. No interest will be paid on accrued but unpaid dividends and the benefit thereof will, pending payment, accrue to the relevant Class within a Fund.

If a Shareholder redeems all of its Income Shares at any time during a calendar month, all dividends declared up to but not including the date of redemption will be paid to the Shareholder along with the redemption proceeds.

Any distribution payment of a Fund which remains unclaimed after a period of six years from the date of payment, will be forfeited and shall revert to the ICAV.

All Funds operating an income or distributing share class intend to operate income equalisation. Income equalisation prevents the dilution of current Shareholders' earnings by applying a portion of the proceeds from Shares issued or redeemed to undistributed income. When Shares are purchased or redeemed the price may include an element of income. Equalisation is this element of income paid out to Shareholders who have purchased or redeemed during this period. This means, for example, that a Shareholder subscribing for Shares between distribution periods (i.e. the period from one distribution to another) may pay a price for those Shares which includes an amount of income earned since the last distribution by the relevant Fund. Income equalisation ensures that income distributions from a Fund are the same for all Shareholders, regardless of when the Shares were purchased.

5. Investment Restrictions

A Fund's investments will be limited to investments permitted by the UCITS Regulations. The investment and borrowing restrictions applying to the ICAV and each Fund which are imposed under the UCITS Regulations are set out in Schedule 2.

If the investment restrictions set out in the UCITS Regulations are exceeded for reasons beyond the control of the ICAV or as a result of the exercise of subscription rights, the ICAV

must adopt as a priority objective the remedying of that situation taking due account of the interests of the Shareholders.

If the UCITS Regulations are altered during the life of the ICAV, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements and Shareholders will be advised of such changes in an updated Prospectus and in the next succeeding annual or half-yearly report of the ICAV. In the event that any alterations to the UCITS Regulations affect the investment policy of a Fund, such a change to the investment policy may only be made on the basis of a majority of votes cast at a general meeting or with the prior written approval of Shareholders and a reasonable notification period shall be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

6. Investment techniques and instruments

Where permitted by the investment policy of a Fund, a Fund may employ financial derivative instruments for investment purposes and/or for efficient portfolio management purposes, being where the Investment Manager considers the use of such techniques and instruments is economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of the Fund as described therein. A Fund's use of such financial derivative instruments shall be subject to the conditions and within the limits from time to time laid down by the Central Bank. A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments generally is set out in Schedule 3. A list of the Regulated Markets on which financial derivative instruments may be quoted or traded is set out in Schedule 1.

The underlyings of the financial derivative instruments must consist of categories consistent with a Fund's investment policy as set out in the Supplement for the relevant Fund.

Direct and indirect operational costs and fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to a Fund. These costs and fees do not and should not include hidden revenue. The Manager shall ensure that all revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to a Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Manager, the Investment Manager or the Depositary.

Details of the risks associated with the use of financial derivative instruments is set out in the section entitled "Risk Factors".

The Manager employs a risk management process which enables it accurately to measure, monitor and manage the various risks associated with such financial derivative instruments. No financial derivative instruments may be utilised by a Fund until such time as they are included in a risk management process that has been prepared and submitted to the Central Bank in accordance with the Central Bank's requirements. Supplementary information in relation to the quantitative risk management limits applied, the risk management methods used and any recent developments in the risks and yield characteristics for the main categories of investment shall be supplied to a Shareholder upon request. The Manager also employs a collateral policy which includes permitted types of collateral, the level of collateral required and the haircut policy and in the case of cash collateral, the reinvestment policy (including the risks arising from the reinvestment policy).

Unless otherwise disclosure in the relevant Supplement, the Investment Manager uses a methodology known as the Commitment Approach in order to measure the global exposure of the Funds and manage the potential loss to them due to market risk. The Commitment Approach is a methodology that aggregates the underlying market or notional values of financial derivative instruments to determine the degree of global exposure of a Fund to financial derivative instruments. In accordance with the requirements of the Central Bank, the global exposure for a Fund must not exceed 100% of that Fund's Net Asset Value. If disclosed in the relevant Supplement, the Investment Manager may also use relative VaR (where the VaR of a Fund is divided by the VaR of an appropriate benchmark or reference portfolio, allowing the global exposure of a Fund to be compared to, and limited by reference to, the global exposure of the appropriate benchmark or reference portfolio) or absolute VaR (where a benchmark or reference portfolio is not appropriate for risk measurement purposes).

The following are descriptions of the financial derivative instruments which may be used by a Fund. The types of financial derivative instruments used by each Fund are set out in the relevant Supplement.

Forward Contracts

A forward contract is a contract to buy or sell an underlying security or currency at a pre-determined price on a specific future date. The initial terms of the contract are set so that the contract has no value at the outset. Forward prices are obtained by taking the spot price of a security or currency and adding to it the cost of carry. No money is transferred upon entering into a forward contract and the trade settlement is delayed until the specified date when the underlying security or currency is exchanged for cash. Subsequently, as the price of the underlying security or currency moves, the value of the contract also changes.

Forward contracts involve a number of the same characteristics and risks as futures contracts but there are also several differences. Forward contracts are not market traded. They settle only at the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. Second, in the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardised provisions available through any futures contract. Finally, forward contracts, as two party obligations for which there is no secondary market, involve counterparty credit risk not present with futures.

A non-deliverable forward is a cash-settled, short-term forward contract used where a foreign currency is not freely convertible, where the profit or loss at the time at the settlement date is calculated by taking the difference between the agreed upon exchange rate and the spot rate at the time of settlement, for an agreed upon notional amount of funds.

Futures

Where permitted by the investment policy of a Fund, it is authorised to enter into futures contracts. If a Fund purchases a futures contract, it incurs an obligation to take delivery of a specified amount of the obligation underlying the futures contract at a specified time in the future for a specified price. If a Fund sells a futures contract, it incurs an obligation to deliver a specified amount of the obligation underlying the futures contract at a specified time in the future for an agreed-upon price. The purchase of futures contracts can serve as a long hedge (i.e. entered into for the purposes of price stability), and the sale of futures contracts can serve as a limited short hedge (i.e. entered into for the purposes of mitigating the risk of a loss).

In most cases futures contracts are closed before the settlement date without the making or taking of delivery. A sale of a futures contract is closed by purchasing a futures contract for the same aggregate amount of the specified type of financial instrument and the same delivery date. If the price of the initial sale exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the purchase price, the seller realises a loss. Similarly, a purchase of a futures contract is closed by selling a corresponding futures contract.

Investment in futures contracts involves risk. A purchase or sale of futures contracts may result in losses in excess of the amount invested in the futures contract. If a futures contract is used for hedging, an imperfect correlation between movements in the price of the futures contract and the price of the security, currency or other investment being hedged creates risk. Correlation is higher when the investment being hedged underlies the futures contract. Correlation is lower when the investment being hedged differs from the security, currency, or other investment underlying the futures contract, such as when a futures contract on an index of securities is used to hedge a single security, a futures contract on one security (e.g., government bonds) is used to hedge a different security (e.g., a mortgage-backed security), or when a futures contract in one currency is used to hedge a security denominated in another currency.

A Fund may purchase futures contracts (or options on them) as an anticipatory hedge against a possible increase in the price of a currency in which securities the Fund anticipates purchasing is denominated. In such instances, the currency may instead decline. If the Fund does not then invest in those securities, the Fund may realise a loss on the futures contract that is not offset by a reduction in the price of the securities purchased.

A Fund's ability to engage in the futures and options on futures strategies described above depends on the liquidity of the markets in those instruments. Trading interest in various types of futures and options on futures cannot be predicted. Therefore, no assurance can be given that a Fund will be able to utilise these instruments at all or that their use will be effective. In addition, there can be no assurance that a liquid market will exist at a time when a Fund seeks to close out a futures or option on a futures contract position, and that Fund would remain obligated to meet margin requirements until the position is closed. The liquidity of a secondary market in a futures contract may be adversely affected by "daily price fluctuation limits" established by futures exchanges to limit the amount of fluctuation in a futures contract price during a single trading day. Once the daily limit has been reached, no trades of the contract may be entered at a price beyond the limit, thus preventing the liquidation of open futures positions. In the past, prices have exceeded the daily limit on several consecutive trading days.

A Fund that purchases or sells a futures contract is only required to deposit initial and variation margin as required by relevant regulations and the rules of the contract market. The Fund's NAV will generally fluctuate with the value of the securities or other instrument(s) underlying a futures contract as if they were already in the Fund's portfolio. Futures transactions can have the effect of investment leverage.

Swap Contracts

A Fund may enter into swap agreements.

Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard "swap" transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a "notional amount," e.g., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. A Fund may enter into interest rate and currency swaps and other forms of swaps, including but not limited to a swap referencing a particular index or a swap referencing a single stock or basket of stocks. Swap contracts may expose the Fund to substantial risk of loss.

Interest rate swaps involve the exchange of the two parties' respective commitments to pay or receive interest on a notional principal amount (e.g., an exchange of floating rate payments for fixed rate payments).

Currency swaps similarly involve the exchange of the two parties' respective commitments to pay or receive fluctuations with respect to a notional amount of two different currencies (e.g., an exchange of payments with respect to fluctuations in the value of the US dollar relative to the Japanese yen).

A Fund may enter into swaps for hedging, risk management and investment leverage. When using swaps for hedging, a Fund may only enter into a swap on an asset-based (i.e. a swap used to change the exposure of an investment/asset) basis.

A Fund may only close out a swap with its particular counterparty. Furthermore, a Fund may only transfer a position with the consent of that counterparty. If the counterparty defaults, the Fund will have contractual remedies, but there can be no assurance that the counterparty will be able to meet its contractual obligations or that the Fund will be able to enforce its rights. Because the contract for each swap is individually negotiated with a specific counterparty, a Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently from the Fund. The Fund, therefore, assumes the risk that it may be unable to obtain payments the Investment Manager believes are owed to it under a swap or that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

The creditworthiness of a counterparty may be adversely affected by larger-than-average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital. For further details of these and other risks associated with swaps, please see the section entitled "Risk Factors" below.

Collateral Policy

The policy that will be applied to collateral arising from OTC derivative transactions repurchase and reverse repurchase agreements relating to the Funds is to adhere to the requirements set out in Schedule 3. This sets out the permitted types of collateral, the level of collateral required and the haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations. The categories of collateral which may be received by the Funds include cash and non-cash assets such as equities, debt securities and money market instruments. The specific types of cash and non-cash assets which a Fund may receive are set out under the heading "Securities Financing Transactions Regulations".

From time to time and subject to the requirements in Schedule 3, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The level of collateral required will be at least that which is necessary to ensure that the risk exposure to a counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations (i.e., the difference between the risk exposure to the counterparty and the limits set out in Regulation 70(1)(c) of the UCITS Regulations). The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule 3. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the section entitled "Risk Factors".

Securities Financing Transactions Regulation

The Manager is subject to the provisions of the Securities Financing Transactions Regulation. The Securities Financing Transactions Regulation sets out certain disclosure requirements regarding the use of securities financing transactions ("SFTs"), as set out below.

A Fund may use SFTs, which in respect of the Funds means securities lending, total return swaps, repurchase agreements and reverse repurchases agreements, as such terms are defined in accordance with the Securities Financing Transactions Regulation subject to the conditions and limits set out in the Central Bank Regulations for efficient portfolio management purposes only. A Fund's use of SFTs is consistent with their respective investment objectives and policies, and accordingly SFTs may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the relevant Fund.

Subject to the limitations referred to above, any assets of a Fund may be subject to SFTs subject to the limits disclosed in the relevant Supplement.

The types of acceptable counterparty and the diversification requirements are explained in Schedule 3. A Fund may only enter into SFTs with counterparties that have been selected and assessed in accordance with the Central Bank's requirements. The acceptable counterparties will be entities with legal personality and located in OECD jurisdictions. They will be subject to ongoing supervision by a public authority, be financially sound and have the necessary organisational structure and resources for the relevant type of transaction.

All collateral which may be received by a Fund must comply with the requirements set out in Schedule 3.

Collateral received by the Fund will be valued in accordance with the valuation methodology set out under the section entitled "**Determination of Net Asset Value**". Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Any collateral obtained by a Fund pursuant to an SFT will be valued in accordance with the Manager's valuation and haircut policy in relation to the ICAV. Where a Fund receives collateral as a result of entering into SFTs, there is a risk that the collateral held by a Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to a Fund to secure a counterparty's obligations under a SFT would satisfy the counterparty's obligations in the event of a default by the counterparty. Where a Fund provides collateral as a result of entering into SFTs, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

A Fund may provide certain of its assets as collateral to counterparties in connection with SFTs. If a Fund has over-collateralised (i.e., provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty's insolvency. If the Depositary or its sub-custodian or a third party holds collateral on behalf of a Fund, a Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into SFTs which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

The section of this Prospectus entitled "Risk Factors" provides a description of the risks associated with the use of derivatives and repurchase and reverse repurchase agreements which are likely to fall within the definition of SFT.

The assets of a Fund that are subject to SFTs and any collateral received are held by the Depositary.

7. Risk factors

Investors should understand that all investments involve risks. The following are some of the risks of investing in a Fund but the list does not purport to be exhaustive.

Investment Risks

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. Each Fund bears the risk of default on the part of the issuer of any securities. The price of the Shares may fall as well as rise. The capital return and income of a Fund are

based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's returns may be expected to fluctuate in response to changes in such capital appreciation or income.

Large Redemptions

If large numbers of Shares in a Fund were to be redeemed at or around the same time, a Fund may be required to sell a large portion of its portfolio quickly to cover these deals, at a time or at prices not of the Investment Manager's choosing. This might result in a reduction in the value of a Fund and in the prices achieved for securities sold by that Fund. The value of securities within a Fund may also be affected if other similar funds find themselves in the same situation.

Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (please see the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions").

Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one Recognised Rating Agency the Fund's Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. A Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Fund's Investment Manager will consider whether the security continues to be an appropriate investment for the Fund.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Liquidity Risk

A Fund may be adversely affected by a decrease in market liquidity for the securities in which it invests which may impair a Fund's ability to execute transactions. In such circumstances, a Fund's securities may become illiquid which may mean that a Fund may experience difficulties in selling securities at a fair price within a timely manner.

Reduced liquidity of a Fund's investment may result in a loss in value to a Fund.

Inflation/Deflation Risk

Inflation is the risk that a Fund's assets or income from a Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

Warrants Risk

When a Fund invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market.

Variable Rate and Floating Rate Securities

Variable and floating rate securities are obligations that possess a floating or variable interest rate adjustment formula. The terms of the variable or floating rate securities that a Fund may purchase provide that interest rates are adjustable at intervals ranging from daily up to six months or more, and the adjustments are based upon current market levels, the prime rate of a bank or other appropriate interest rate adjustment index as provided in the respective securities. Some of these securities are payable on a daily basis or on not more than seven days' notice. Others such as securities with quarterly or less frequent interest rate adjustments may be redeemed on designated days on not more than thirty days' notice.

Bonds

Bond prices and returns from investing in bond markets are sensitive to changes in interest rates which are in turn determined by a number of economic factors, in particular market expectations of future inflation. Investment in bonds also results in exposure to the risk that the bond issuer defaults on its obligations which is likely to result in a loss of value for the bondholder.

Rating of Investment Risk

There is no assurance that the ratings of a Recognised Rating Agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a Recognised Rating Agency in rating an investment is not necessarily a guide to future performance.

Currency Risk

Currency risk includes the risk that currencies in which a Fund's investments are traded and/or in which a Fund receives income, or currencies in which a Fund has taken an active investment position, will decline in value relative to other currencies or otherwise perform in a manner that results in a loss to the Fund. In the case of hedging positions, currency risk includes the risk that the currency to which a Fund has obtained exposure declines in value relative to the foreign currency being hedged. In such event, a Fund may realise a loss on the hedging instrument at the same time a Fund is realising a loss on the currency being hedged. Currency exchange rates fluctuate significantly for many reasons, including changes in supply and demand in the currency exchange markets, actual or perceived changes in interest rates, intervention (or the failure to intervene) by governments, central banks or supranational agencies, and currency controls or other political and economic developments.

Derivative transactions in currencies (such as futures, forwards, options and swaps) may involve leveraging risk in addition to currency risk. The obligations of counterparties in currency derivative transactions may not be secured by collateral, which increases counterparty risk.

While the Base Currency of a Fund is a particular currency, the Fund's assets (including, without limitation, any active management of currency exposures) will often be denominated in other currencies and any income or capital received by the Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of a Fund's portfolio and the unrealised appreciation or depreciation of investments. To the extent unhedged, the value of a Fund's assets will fluctuate with the relevant currency exchange rates applicable to the Fund as well as with price changes of the Fund's investments in the various local markets and the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

Where a Fund invests in assets that are denominated in a currency other than its Base Currency it may, but is not obliged to, employ a hedging strategy in order to hedge against the fluctuations in the rates of the different currencies of the assets and its Base Currency. Whilst these hedging strategies are designed to reduce a Fund's losses if the currencies of its assets fall against that of its Base Currency, there can be no assurance that such hedging transactions will be effective and the use of such hedging strategies may substantially limit a Fund from benefiting if the currencies of the Fund's assets rise against that of its Base Currency. Furthermore, the Fund may incur costs in connection with conversions between various currencies.

It may not always be possible to execute hedging transactions, or to do so at prices, rates or levels advantageous to the Funds. The success of any hedging transactions will be subject to the movements in the direction of securities prices and currency and interest rates and the stability of pricing relationships. Therefore, while a Fund might enter into such transactions to reduce currency exchange rate and interest rate risks, unanticipated changes in exchange rates or interest rates may result in poorer overall performance for the Fund than if it had not engaged in such hedging. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. An imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to a risk of loss.

There can however be no assurance that currency hedging transactions will be effective. Although a Fund may utilise currency hedging transactions in respect of classes, it shall not be obliged to do so and to the extent that it does employ strategies aimed at hedging certain classes, there can be no assurance that such strategies will be effective. The costs and related liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular class of a Fund shall be attributable exclusively to the relevant class.

Exposure resulting from currency hedging transactions will not be permitted to exceed 105% of the Net Asset Value of the relevant class and will not be permitted to fall below 95% of the portion of the Net Asset Value of the relevant class which is to be hedged against currency risk. All transactions will be clearly attributable to the relevant class and currency exposures of different classes will not be combined or offset. The ICAV does not intend to have under-hedged or over-hedged positions, however, due to market movements and factors outside the control of the ICAV, under-hedged and over-hedged positions may arise from time to time. Hedged positions will be kept under review to seek to ensure that over-hedged positions do not exceed 105% of the Net Asset Value of the relevant class and that under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the relevant class which is to be hedged against currency risk, such reviews which will seek to ensure that under-hedged positions and hedged positions materially in excess of 100% of the Net Asset Value of the relevant class are not to be carried forward from month to month. In the event that the hedging in respect of a class exceeds 105% of the Net Asset Value of the relevant class or falls short of 95% of the portion of the Net Asset Value of the relevant class which is to be hedged against currency risk due to market movements or subscriptions/redemptions, the Manager shall adjust such hedging appropriately as soon as possible thereafter.

Credit Market Illiquidity

The credit markets may experience a significant lack of liquidity. While this lack of liquidity may create opportunities for a Fund to acquire assets at prices that the Investment Manager believes are attractive, it creates a number of risks. There can be no assurance that the market will be liquid for the foreseeable future. It is also possible that illiquidity in the market could cause prices to decline, which may have the result of forcing a Fund to sell assets to satisfy redemptions or to meet margin calls, which could, in turn, create further downward price pressure. If there is a substantial decline in the market value of a Fund's portfolio of investments, investments may need to be liquidated quickly, which may mean that the investments would be liquidated at a lower price than would be the case under other circumstances.

Investment in Asset-Backed Securities

A Fund may invest in asset-backed securities. An asset-backed security is a security whose value and income payments are derived from and collateralised (or "backed") by a specified pool of underlying assets. The pool of assets is typically a group of small and illiquid assets that are unable to be sold individually. Pooling the assets into financial instruments allows them to be sold to general investors and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of

the total value of the diverse pool of underlying assets. The pools of underlying assets can include payments from credit cards, and auto loans.

The value and the quality of such securities depends on the value and quality of the underlying assets against which such securities are backed.

Changes in interest rates may have a significant effect on investments in asset-backed securities. Asset-backed securities generally decrease in value when interest rates increase.

Concentration Risk

Where a Fund focuses its investments on a limited number of markets, countries, types of investment and/or issuers, it will not enjoy the same level of diversification of risks across different markets, countries, types of investment and/or issuers that would be possible if investments were not so concentrated. Such a concentration of investments could increase the potential for volatility and risk of loss, especially in periods of pronounced market volatility.

Counterparty and Settlement Risks

The Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default due to insolvency, bankruptcy or other causes.

Umbrella Structure of the ICAV and Cross-Liability Risk

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The ICAV is an umbrella fund with segregated liability between Funds and under Irish law the ICAV generally will not be liable as a whole to third parties and there generally will not be the potential for cross-liability between Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

Dependence on the Investment Manager

The success of a Fund depends upon the ability of the Investment Manager to allocate the Fund's assets to various investment strategies. The success of a Fund also depends on the ability of the Investment Manager to develop and implement investment strategies that achieve a Fund's investment objective. For example, the Investment Manager's inability to effectively hedge an investment strategy that it utilises may cause the assets of a Fund to significantly decline in value and could result in substantial losses to such Fund. Moreover, subjective decisions made by the Investment Manager may cause a Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalised.

Investment Manager - Conflicts of Interest Risk

The Manager may consult the Investment Manager with respect to the valuation of: (i) unlisted investments; or (ii) securities that are listed, traded or dealt in on a Regulated Market but for which prices are not available or are unrepresentative. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation of a Fund's investments and the Investment Manager's other responsibilities. A conflict of interest could also arise between the Investment Manager and the ICAV as the value of the fee payable to the Investment Manager increases as the value of the Funds increases.

Taxation Risks

Statements in this Prospectus concerning the taxation of Shareholders, the ICAV or a Fund are based on law and our understanding of the practice of the Revenue Commissioners as at the date of this Prospectus. Any change in the tax status of the ICAV or a Fund, or in accounting standards, or in tax legislation or the tax regime, or in the practice relating to, the interpretation or application of tax legislation applicable to the ICAV, a Fund or the assets of a Fund, could affect the value of the investments held by the Fund, the Fund's ability to achieve its stated objective, the Fund's ability to provide dividends to Shareholders and/or alter the post-tax returns to Shareholders. It is possible that any legislative changes may have retrospective effect. The information contained in this Prospectus is intended as a guide only and is not a substitute for professional advice. Investors are advised to consult their own tax advisors in relation to their personal circumstances and suitability of this investment. Please see the section headed "Taxation".

Global Minimum Tax

The Organisation for Economic Cooperation and Development (the "OECD") has been working to introduce a global minimum tax and many countries have agreed to introduce one. The global minimum tax is intended to ensure that very large businesses with companies based in two or more countries (that is, multinational groups with consolidated revenues over EUR 750 million) are subject to a minimum effective tax rate of 15% on their income arising in every country in which they operate. This is generally achieved where a company's tax liability in a country works out at under 15% by the tax liability being 'topped-up' to 15% for the company in that country.

The OECD's global minimum tax rules are complex and local implementation varies. The local rules normally contain various exemptions and exclusions. While there is generally an exclusion for investment funds, it only applies where the investment fund is the entity which owns the multinational group. Consequently, where a large multinational group invests in a Fund there is a risk of the global minimum tax rules applying to it with the result that in certain circumstances a tax or other related liability may arise to the Fund or another person. If a Fund suffers (or otherwise directly or indirectly bears the cost of) any such global minimum tax liability, this would affect the NAV of the Fund.

The EU has introduced its version of the global minimum tax rules in Council Directive (2022/2523) (the "**Directive**"). Member States were required to implement the Directive into national law by 31 December 2023 and Ireland implemented it on 18 December 2023, which applies to fiscal years starting on or after 31 December 2023. Other Member States have also implemented the Directive into their national laws.

Investors should be aware that the Manager may require information from them to enable it to consider any Fund's position with regard to any relevant global minimum tax rules and, if necessary to engage with the Irish tax authority and any other local tax authorities as necessary.

Investors which are institutional investors should also be aware that they will be subject to the indemnity set out in the application form if any tax and/or other related liability arises in any jurisdiction under or in connection with global minimum tax rules to a Fund as a consequence of their investment (at any time) in the Fund.

Economic Policy and Tariffs

Any significant changes in, among other things, economic policy (including with respect to interest rates, tariffs and foreign trade), the regulation of the asset management industry, tax law, immigration policy, environmental protection and/or climate change policies or regulations and/or government entitlement programs could have a material adverse impact on the performance of a Fund by reducing the value or performance of a Fund's investments. If trade disputes between the United States and other countries continue or escalate, or if additional tariffs or trade restrictions are implemented by the United States or other countries in connection with a global trade dispute or "trade war", there could be material adverse effects on the global economy, and the Funds could be materially and adversely affected.

Risks of Derivative Instruments

The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Fund.

Market Risk: This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a Fund's interest.

Management Risk: Derivative products are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Fund's portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

Counterparty Credit Risk: This is the risk that a loss may be sustained by a Fund as a result of the failure of the other party to a derivative (usually referred to as a "counterparty") to comply with the terms of the derivative contract. The credit risk for exchange-traded or other centrally cleared derivatives is generally less than for over-the-counter derivatives, since the clearing house, which is the counterparty to each exchange-traded derivative, provides a guarantee of performance to clearing members. This guarantee is supported by a daily payment system (i.e., margin requirements) operated by the clearing house in order to reduce overall credit risk. For over-the-counter derivatives, there is no similar clearing agency guarantee. Therefore, the Investment Manager considers the creditworthiness of each counterparty to an over-the-counter derivative in evaluating potential credit risk and will manage any credit support annexes entered into by the ICAV in respect of any Fund (i.e. documents entered into to define and record the collateral offered in a derivative contract).

Liquidity Risk: Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many over-the-counter derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Leverage Risk: Many derivatives have a leverage component. Any Fund which uses derivatives may therefore experience greater movements (up or down) in the price of Shares in the Fund. In addition, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

Other Risks: Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives. Many derivatives, in particular over-the-counter derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. Furthermore, derivatives do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to closely track. Consequently, a Fund's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering a Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the ICAV that might in turn require, if there is insufficient cash available in the portfolio, the sale of a Fund's investments under disadvantageous conditions.

Settlement risk: The Funds also are subject to the risk of the failure of any of the exchanges on which financial derivative instruments are traded or of their clearing houses. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks.

Legal risk: There are legal risks involved in using financial derivative instruments which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Investments in Other Collective Investment Schemes

A Fund may invest in one or more collective investment schemes including schemes managed by the Manager, Investment Manager or their affiliates. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations. The Fund will be responsible for paying its fees and expenses regardless of the level of its profitability.

Specific Risk relating to Collateral Management

Counterparty risk arising from investments in OTC financial derivative instruments, repurchase agreements and reverse repurchase agreements is generally mitigated by the transfer or pledge of collateral in favour of a Fund. However, transactions may not be fully collateralised. Fees and returns due to the Fund may not be collateralised. If a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Fund to meet redemption requests.

A Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

Political Risks

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, military conflict and civil unrest, changes in government policies, government appropriations, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

Custody Risks

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks.

The assets of a Fund are safe kept by the Depositary and Shareholders are exposed to the risk of the Depositary not being able to fully meet its obligation to restitute in a short time frame all of the assets of a Fund in the case of bankruptcy of the Depositary. Securities of a Fund will normally be identified in the Depositary's books as belonging to the Fund and segregated from other assets of the Depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.

Shareholders are also exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Depositary.

Information Security Risk

Like other business enterprises, the use of the internet and other electronic media and technology exposes the ICAV, the ICAV's service providers, and their respective operations, to potential risks from information security attacks or incidents (collectively, "cyber-events"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the ICAV and the Shareholders, and cause a Fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. A cyber-event may cause the ICAV, a Fund, or the ICAV's service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the ICAV and the ICAV's service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

EMIR Risk

A Fund may enter into derivative contracts.

The European Market Infrastructure Regulation ("EMIR"), as amended from time to time (including by Regulation (EU) 2019/834 ("EMIR REFIT") and subsequent regulatory developments commonly referred to as "EMIR 3.0"), establishes certain requirements in respect of derivative transactions, including central clearing, risk mitigation and reporting obligations.

The potential implications of EMIR for the Funds include, without limitation, the following:

Clearing Risk: certain standardised derivative transactions may be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing such transactions through a CCP may result in additional costs and may be on less favourable terms than those available in the absence of such clearing requirement.

Risk Mitigation Requirements: for derivative transactions which are not subject to mandatory clearing, the Funds may be required to apply risk mitigation techniques, including margining, collateralisation and certain operational procedures. These requirements may increase the operational complexity and costs associated with the Funds' use of derivative instruments.

Reporting Risk: derivative transactions entered into by a Fund may be subject to trade reporting obligations under EMIR, either directly or via delegated arrangements with counterparties or third-party service providers. Compliance with such requirements may give rise to additional operational burdens and costs.

Regulatory Risk: non-compliance with EMIR requirements may result in regulatory sanctions or other adverse consequences.

EMIR establishes clearing thresholds for certain counterparties, above which mandatory clearing and additional risk mitigation obligations may apply. Derivative transactions may remain subject to reporting and other regulatory requirements irrespective of whether such thresholds are exceeded.

EMIR has been amended and may continue to be amended from time to time. Accordingly, the regulatory requirements applicable to derivative transactions may change over time. Such changes may impose additional costs or operational requirements on the Funds and may adversely affect the ability of a Fund to implement its investment strategy.

Operation of Fund Cash Accounts

The Manager operates Fund Cash Accounts opened in the name of the ICAV on behalf of each Fund. A Fund Cash Account is operated for each Fund into which: (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend

payments owing to Shareholders are deposited and held until paid to such Shareholders. All subscriptions, redemptions or dividends payable to or from a Fund are channelled and managed through the relevant Fund Cash Account in respect of that Fund.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or expected to be, received and are held in the relevant Fund Cash Account, any such investor shall rank as a unsecured creditor of the Fund until such time as Shares are issued as of the relevant Dealing Day. Therefore, in the event that such monies are lost prior to the issue of Shares to the relevant investor as of the relevant Dealing Day, the ICAV on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

Similarly in circumstances where redemption monies are payable to an investor subsequent to a given Dealing Day of a Fund as of which Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption/dividend monies are held in the relevant Fund Cash Account, any such investor/Shareholder shall rank as an unsecured creditor of the relevant Fund until such time as such redemption/dividend monies are paid to the investor. Therefore, in the event that such monies are lost prior to payment to the relevant investor/Shareholder, the ICAV, on behalf of the Fund, may be obliged to make good any losses suffered by the investor/Shareholder (in its capacity as a unsecured creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

In the event of an insolvency of the relevant Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Investors who have forwarded subscription monies in advance of a Dealing Day and which are held in a Fund Cash Account and investors/Shareholders due redemption/dividend monies which are held in a Fund Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore, in such circumstances, the investor subscribing for Shares may not recover all monies originally paid into the Fund Cash Account in relation to the application for Shares and the redeeming investor entitled to redemption monies and the Shareholder entitled to a dividend payment may not recover all monies originally paid into the Fund Cash Account for onward transmission to that investor/Shareholder.

Sustainability risks

The Investment Manager takes sustainability risks into account in the management of each Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Fund. An example of an environmental risk is the increased likelihood of flooding due to climate change and the associated rise in sea levels. Flooding and drought could affect a variety of issuers such as insurers and agricultural businesses, and could negatively impact the value of investments in those companies. An example of a social risk is the occurrence of improper working practices such as child labour. Companies that are found to have engaged in such practices, or that have engaged with suppliers that they know to have done so, may be in breach of applicable laws and/or may be perceived negatively by the market. An example of a governance risk is the need to ensure gender diversity. If a company's reporting shows a lack of diversity, or there is media coverage of discrimination within the business on the grounds of gender, this may negatively affect market sentiment with respect to the company and impact its share price. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements.

Some Funds may have sustainable investment as their objective or promote environmental and/or social characteristics, which they achieve by applying sustainability criteria to the selection of investments chosen by the Investment Manager. Such criteria may vary between investment strategies. These Funds may have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. As investors may differ in their views of what constitutes sustainable investing, a Fund may invest in companies that do not reflect the beliefs and values of particular investors.

The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the aims and investments of the Funds may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

Emerging Markets Risks

Funds which invest in emerging market securities may be subject to the following additional risk factors:

Political and economic factors

There is in some emerging market countries a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

The economies of many emerging market countries can be heavily dependent on international trade and accordingly have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

Counterparty risk and liquidity factors

There can be no assurance that there will be any market for any investments acquired by the Fund or, if there is such a market, that there will exist a secure method of delivery against payment which would, in the event of a sale by or on behalf of the Fund, avoid exposure to counterparty risk on the buyer. It is possible that, even if a market exists for such investment, that market may be highly illiquid. Such lack of liquidity may adversely affect the value or ease of disposal of

such investments. There is a risk that counterparties may not perform their obligations and that settlement of transactions may not occur.

Legal factors

The legislative framework in emerging market countries for the purchase and sale of investments and in relation to beneficial interests in those investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of emerging market countries will react to questions arising from the Fund's investment in such countries and arrangements contemplated in relation thereto.

There is no guarantee that any arrangements made, or agreement entered into, between the Depositary and any correspondent (i.e. an agent or sub-custodian) will be upheld by a court of any emerging market country, or that any judgement obtained by the Depositary or the ICAV against any such correspondent in a court of any jurisdiction will be enforced by a court of any emerging market country.

Reporting and valuation factors

There can be no guarantee of the accuracy of information available in emerging market countries in relation to investments which may adversely affect the accuracy of the value of Shares in the Fund. Accounting practices are in many respects less rigorous than those applicable in more developed markets. Similarly, the amount and quality of information required for reporting by companies in emerging market countries is generally of a relatively lower degree than in more developed markets.

Exchange control and repatriation factors

It may not be possible for a Fund to repatriate capital, dividends, interest and other income from emerging market countries or it may require government consents to do so. A Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

Settlement factors

There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in emerging market countries nor can there be any guarantee of the solvency of any securities system or that such securities system will properly maintain the registration of the Depositary, any relevant sub-custodian or the ICAV as the holder of securities. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many emerging market countries, no guarantee can be given that all entitlements attaching to quoted and over-the-counter traded securities acquired by a Fund, including those related to dividends, can be realised.

Some emerging markets currently dictate that monies for settlement be received by a local broker a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement. This exposes the assets in question to risks arising from acts, omissions and solvency of the broker and to counterparty risk for that period of time.

Custody factors

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances, the Fund may not be able to recover some of its investments. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title. In addition, in the absence of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Irish Regulations, the Depositary may not be liable to the ICAV or its Shareholders for the loss of a financial instrument (as referred to in the Irish Regulations) belonging to a Fund which is not capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian or being physically delivered to the Depositary. Accordingly, while the liability of the Depositary is not affected by the fact that it has entrusted the custody of the ICAV's assets to a third party, in markets where custodial and/or settlement systems may not be fully developed, a Fund may be exposed to sub-custodial risk in respect of the loss of such assets in circumstances whereby the Depositary may have no liability. In the event that custody is delegated to local entities that are not subject to effective prudential regulation, including minimum capital requirements and supervision in the jurisdiction concerned, prior Shareholder notice will be provided advising of the risks involved in such delegation.

The costs borne by the Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

Risks associated with investment in China

China is one of the world's largest global emerging markets. As with investing in any emerging market country, a Fund investing in China may be subject to greater risk of loss than investments in a developed market. This is due to, among other things, greater market volatility, lower trading volume, greater risk of market shut down, and more governmental limitations on foreign investment policy. The companies in which any such Fund invests may be held to lower disclosure, corporate governance, accounting and reporting standards. In addition, some of the securities held by the relevant Fund may be subject to higher transaction and other costs, foreign ownership limits, the imposition of taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may increase the volatility and hence the risk of an investment in such a Fund. The existence of a liquid trading market for China A Shares may depend on whether there is a supply of, and demand for such China A Shares. Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading bands are imposed by the stock exchanges in China on China A Shares, where trading in any China A share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Manager to liquidate positions and can thereby expose the concerned Fund to losses. Further, when the suspension is subsequently lifted, it may not be possible for the Manager to liquidate positions at a favourable price. The price at which securities may be purchased and sold by a Fund and the Net Asset Value of a Fund may be adversely affected if trading markets for China A Shares are limited or absent.

Many of the economic reforms in the People's Republic of China ("**PRC**") are subject to adjustment and modification that may not always have a positive effect on foreign investment in the PRC market.

The legal infrastructure in PRC may not provide with the same degree of investors' protection or information to investors, as would generally apply to major securities markets. The recognized accounting, auditing, financial reporting practices and regulatory requirements may be significantly different from those in developed markets. Further, regulations continue to develop and may change quickly which may further delay redemptions or restrict liquidity.

PRC government may also exercise substantial influence over the private economic sector and investments may be affected by political and economic instability. In the past the PRC government applied nationalization, expropriation, confiscatory levels of taxation and currency blockage. Such event could adversely affect the interests of a Fund and there is no assurance that such events will not occur in the future.

Moreover, factors such as PRC government policy, fiscal policy, interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the PRC financial markets and the level and volatility of equity prices could significantly affect the value of a Fund's underlying investments and thus its share price.

Practices in relation to settlement of securities transactions involve higher risks than those in developed markets, in part because a Fund needs to use local brokers, depositary and counterparties subject to different regulations compared to the other international developed markets. However, the depositary is responsible for the proper selection and supervision of its correspondent banks in all relevant markets, in accordance with Irish law and regulations. A Fund will seek, where possible, to use counterparties whose financial status is such that this risk is reduced.

Moreover, as securities purchase transactions in China markets may require cash to be available in the custody account before trading there may be a time lag before market exposure can be obtained after and the pricing point of a subscription; consequently a Fund may be under-exposed and subject to performance dilution risk, i.e. if markets rise between the day of the pricing point of the subscription into the Fund and the day the Fund is able to invest, shareholders may see their performance diluted. Conversely if markets fall between those two dates, shareholders may benefit.

The Shanghai securities market is in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations. The PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve uncertainties.

Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

Ratings assigned by a rating agency are not absolute standards of credit quality. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. As the credit ratings of the Chinese domestic debt instruments are largely assigned by the credit agencies in the PRC, the methodologies adopted by the local rating agencies might not be consistent with the other international rating agencies. As a result, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

Risks Associated with investment in China A-shares

Funds which invest in China A shares may be subject to the following additional risks:

Regulatory risk

The current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. A Fund may be adversely affected as a result of such changes.

Investment limitations

The Stock Connect is subject to quota limitations on daily basis. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance) and there is no certainty that the quota might be extended in the future. Therefore, quota limitations may restrict a Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and a Fund may not be able to effectively pursue its investment strategy.

In addition, stock may be recalled from the scope of eligible stocks for trading via the Stock Connect and in such a case the stock can only be sold but restricted from being bought. This may affect the ability of a Fund to implement its investment strategy.

It is contemplated that Hong Kong stock exchange and PRC stock exchanges markets would reserve the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is affected, a Fund's ability to access the PRC market via Stock Connect will be adversely affected.

The Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but a Fund cannot carry out any China A Shares trading via the Stock Connect where that day is not a trading day in Hong Kong. A Fund may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

Pre-trade checking

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the Chinese Market Stock Exchange will reject the

sell order concerned. Pre-trade checking will be carried out on China A share sell orders to ensure there is no over-selling.

Operational risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of Hong Kong stock exchange and PRC stock exchanges differ significantly and market participants may need to address issues arising from the differences on an on-going basis.

There is no assurance that the system of the Shanghai Hong Kong Stock Connect and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. A Fund's ability to access the China A share market via the Stock Connect (and hence to pursue its investment strategy) may be adversely affected.

Execution issues

Stock Connect trades may, pursuant to the Stock Connect rules, be executed through one or multiple brokers. Given the pre-trade checking requirements, the Manager may determine that it is in the interest of a Fund that it only executes Stock Connect trades through a broker who is affiliated to the Fund's sub-depositary that is an exchange participant. In that situation, whilst the Manager will be cognizant of its best execution obligations, it will not have the ability to trade through multiple brokers and any switch to a new broker will not be possible without a commensurate change to a Fund's sub-custody arrangements.

Ownership of Stock Connect securities

The recognition of the Fund's ownership on the Stock Connect securities will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise.

Risks relating to the Secondary Market for Shares

Secondary Market for Shares

Although it is contemplated that the Shares of each Fund will be listed for trading on one or more Relevant Stock Exchanges, there can be no assurance that an active trading market for such Shares will develop or be maintained. Trading in Shares on a Relevant Stock Exchange may be halted due to market conditions or for reasons that, in the view of the Relevant Stock Exchange, make trading in Shares inadvisable. There can be no assurance that the requirements of the Relevant Stock Exchanges will continue to be met or will remain unchanged.

Authorised Participant Concentration Risk

Only an Authorised Participant may engage in subscription and redemption transactions directly with the ICAV with respect to Shares. A limited number of institutions act as Authorised Participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to Shares of a Fund and no other Authorised Participant is able to step forward to create or redeem, in either of these cases, Shares may trade on the Secondary Market at a discount to the Net Asset Value per Share and possibly face delisting.

Market Maker Risk

If a Class of Shares has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of such Shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a decrease in the price at which the Shares of the Class are trading on a stock exchange compared with the Class's Net Asset Value per Share. In addition, decisions by market makers or authorised participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of a Fund's portfolio securities and the price at which the Shares of the Class are trading on stock exchanges. This reduced effectiveness could result in Shares trading at a discount to the Class's Net Asset Value per Share and also in greater than normal intraday bid-ask spreads for the Shares on exchange.

Settlement risk

A Fund is also subject to the risk of the failure of any of the exchanges on which these instruments are traded or of their clearing houses. The exchanges will have different clearance and settlement procedures and in certain markets, there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlements could result in temporary periods when assets of a Fund are uninvested and no return is earned thereon.

Fluctuation of Net Asset Value

The Net Asset Value of each Fund and Class will generally fluctuate with changes in the market value of such Fund's holdings. The market prices of Shares will generally fluctuate in accordance with changes in Net Asset Value as well as the relative supply of and demand for Shares on the Secondary Market. The Investment Manager cannot predict whether Shares will trade below, at or above their Net Asset Value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the Secondary Market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the investments of the Fund trading individually or in the aggregate at any point in time. However, given that the Funds are open-ended and Shares can generally be purchased and redeemed on demand by Authorised Participants subject to the terms of this Prospectus (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Manager believes that large discounts or premiums to the Net Asset Value per Share should not be sustained.

Inaction by the Common Depositary and/or International Central Securities Depositary

Investors that settle or clear through an ICSD will not be a registered Shareholder in the ICAV, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the Shares is not a Participant, shall be governed by their

arrangement with their respective nominee, broker or Central Securities Depositary (as appropriate) which may be a Participant or have an arrangement with a Participant. The ICAV will issue any notices and associated documentation to the registered holder in the ordinary course when convening general meetings. The ICAV will also issue any notices and associated documentation to the Paying Agent. The Paying Agent has a contractual obligation to relay any such notices received to the ICSD. The applicable ICSD will in turn relay notices received from the Paying Agent to its Participants in accordance with its rules and procedures. The Paying Agent is contractually bound to collate all votes received from the ICSD (which reflects votes received by the ICSD from Participants) and the Common Depositary's Nominee is obligated to vote in accordance with such instructions. The ICAV has no power to ensure the ICSD or the Paying Agent relays notices of votes in accordance with their instructions. The ICAV cannot accept voting instructions from any persons other than the Common Depositary's Nominee.

Payments

In relation to Shares in a Fund, with authorisation and upon the instruction of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the ICAV or its authorised agent (for example, the Paying Agent) to the applicable ICSD. Investors, where they are Participants, must look solely to the ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depositary (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the ICAV will be discharged by payment to the applicable ICSD with the authorisation of the Common Depositary's Nominee.

Failure to Settle

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete the dealing request, as the Authorised Participant is not a registered Shareholder of the ICAV, the ICAV will have no recourse to the Authorised Participant other than its contractual right to recover such costs. In the event that no recovery can be made from the Authorised Participant and any costs incurred as a result of the failure to settle will be borne by the Fund and its' investors.

Secondary Market – Direct Redemption

Shares purchased on the Secondary Market cannot usually be sold directly back to the ICAV. Investors must buy and sell Shares on a Secondary Market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value when selling them. Investors should consult the section of the Prospectus entitled "Secondary Market Dealings in Shares" for details on the limited circumstances where Shares of a Fund purchased on the Secondary Market may be sold directly back to the ICAV.

Risks relating to investing in Contingent Convertibles Instruments (CoCos)

Trigger level risks

Trigger levels differ and determine exposure to conversion risk depending on the Common Equity Tier 1 (CET1) distance to the trigger level.

The conversion triggers will be disclosed in the prospectus of each issuance. Nonetheless, the investor needs an ongoing understanding of the amount of CET1 the issuer has in place relative to the trigger level. The amount of CET1 varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator. Transparency is critical to mitigating the risk.

Coupon cancellation

Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

While all CoCos (AT1 and T2) are subject to conversion or write down when the issuing bank reaches the trigger level, for AT1s there is an additional source of risk for the investor in the form of coupon cancellation in a going concern situation. Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 instruments and may lead to mispricing of risk. Perhaps most challenging to investors, given the required absence of dividend stoppers/pushers, the AT1 holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Capital structure inversion risk

Contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger Tier 2 CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity.

Call extension risk

AT1 CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

It cannot be assumed that the perpetual CoCos will be called on call date. AT1 CoCos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

Unknown risk

The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer

activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic? In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore in an illiquid market, price formation may be increasingly stressed.

Yield / Valuation risk

Investors have been drawn to the instrument as a result of the CoCos' often attractive yield which may be viewed as a complexity premium.

Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 CoCos, coupon cancellation.

8. Fees and expenses

The ICAV employs an "all in one" fee structure for its Funds pursuant to which it pays to the Manager out of each Fund's assets a total expense ratio ("**TER**") of a percentage of each Fund's NAV at the Valuation Point.

The Manager is responsible for discharging all operational expenses, including, fees and expenses of the Investment Manager, Depositary (including any custody fees associated to the safekeeping of the Fund's assets and collateral), Administrator, paying agent, company secretary, iNAV provider, the Directors, the costs of maintaining the Funds and any registration of the Funds with any governmental or regulatory authority; fees related to the listing of the Funds, market makers, settlement agents, the costs associated to the share class hedging, preparation, printing, translating and posting of prospectuses, sales literature and reports to Shareholders, regulatory fees of the Central Bank and other governmental agencies or authority; insurance premiums; fees and expenses for legal, audit and tax advice; any distribution fees or expenses, cost of establishing the ICAV and each Fund and of registering each Fund in other jurisdictions or with any listing agent or stock exchange and set-up fees.

The TER does not include extraordinary costs, transaction costs and related expenses, including but not limited to, transaction charges, stamp duty or other taxes on the investments of a Fund, including duties and charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to a Fund's investments, Class hedging costs, interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings, any commissions charged by intermediaries in relation to an investment in a Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to a Fund) which will be paid separately out of the assets of the relevant Fund.

In certain jurisdictions where subscriptions, redemptions and conversions are made through a third party agent, additional fees and expenses may be imposed by that third party upon local investors. Such fees and expenses are not payable by the ICAV.

In the event the costs and expenses of a Fund or Class that are intended to be covered within the TER exceed the stated maximum TER, the Manager will discharge any excess amounts out of its own assets. Any amount remaining from the TER paid to the Manager after payment of the relevant costs and expenses will be retained by the Manager in return for the provision of its services to the ICAV.

To the extent that there is a change to the expenses to be discharged by the Manager, Shareholders will be notified in advance. If it is proposed to increase the maximum level of the TER for a particular Fund, this will be reflected in an updated version of the Supplement and will be subject to approval by the majority of votes of Shareholders of the relevant Fund or Class passed at a general meeting of the relevant Fund or Class or by all of the Shareholders of the relevant Fund or Class by way of a written resolution.

Portfolio Turnover

A Fund pays Transaction Costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may indicate higher Transaction Costs. These costs, which are not reflected in annual Fund operating expenses, are charged to the relevant Funds and therefore affect a Fund's performance.

Hedging Costs

The hedging activities for Hedged Classes will incur additional Transaction Costs. These Transaction Costs may include a charge payable to the authorised hedging agent of a maximum of 0.03% per annum of the value of the hedged assets. The cost and resultant profit or loss on the hedging transaction shall be for the account of the Hedged Class only and will be reflected in the NAV per Share of any such Class.

All of the fees, including the TER, shall be calculated daily and shall accrue daily by reference to the Net Asset Value of a Fund and shall be payable monthly in arrears.

9. Administration of the ICAV

9.1. Determination of Net Asset Value

The Administrator shall determine the Net Asset Value per Share of each class, on each Dealing Day at the Valuation Point on the basis set forth below and in accordance with the Instrument of Incorporation.

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to such Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to such Fund) divided by the number of Shares of such Fund outstanding as of the Dealing Day. Any liabilities of the ICAV which are not attributable to any Fund shall be allocated among all of the Funds pro rata to the relative Net Asset Value of the Funds.

The Net Asset Value of each class shall be determined by calculating the amount of the Net Asset Value attributable to each class. The amount of the Net Asset Value of a Fund attributable to a class shall be determined by establishing the proportion of the assets of the class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a class, adjusted to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant Class Expenses (as defined below) and fees to the class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net

Asset Value accordingly. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the class by the number of Shares in issue in that class. Expenses or fees or charges not attributable to a particular class may be allocated amongst the classes based on their respective Net Asset Value or any other reasonable basis approved by the Depositary having taken into account the nature of the fees and charges. Class Expenses and fees relating specifically to a class will be charged to that class. In the event that classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that class.

"Class Expenses" means the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system, and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of converting currency and the costs and gains/losses of class specific hedging transactions (if any) are borne solely by the relevant class.

The Net Asset Value per Share shall be rounded upwards or downwards as appropriate to the number of decimal places stated in the Supplement for a relevant Fund.

Except for those investments valued in accordance with the provisions of the paragraph below, each investment that is listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued at the last traded price on the relevant Regulated Market at the Valuation Point on the relevant Dealing Day, provided that the value of the investment listed, traded or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security.

Subject to the provisions described in the paragraph above, each investment that is a debt security listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued at the latest mid-market price on the relevant Regulated Market at the Valuation Point on the relevant Dealing Day, unless otherwise specified in the relevant Supplement.

If the investment is normally listed, traded or dealt in on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant Regulated Market are not available at the relevant time or are unrepresentative such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent professional person appointed by the Manager and approved for such purpose by the Depositary which may be the Investment Manager.

Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the collective investment scheme.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Manager any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Manager and approved for the purpose by the Depositary, which may be the Investment Manager. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract, at least once per month or more frequently as may be required in the circumstances and to satisfy the Manager that the relevant contract is being valued by the counterparty with reasonable accuracy and on a reliable basis, and to close out the transaction at the request of the Manager at fair value. The Manager may choose to value over-the-counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Manager or by an independent pricing vendor. The Manager must value over-the-counter derivatives on a daily basis. Where the Manager values over-the-counter derivatives using an alternative valuation the Manager must follow international best practice and will adhere to the principles on the valuation of over-the-counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Manager and approved for the purpose by the Depositary or a valuation by any other means, provided that the value is approved by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Manager values over-the-counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts shall be valued by reference to freely available market quotations as of the close of business on the Dealing Day.

The Manager may adjust the value of an asset where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Manager and approved for the purpose by the Depositary is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary and the rationale for the use of such method and the method itself shall be clearly documented.

While it is not the intention of the Manager to apply amortised cost valuation to the portfolio of any Fund, Money Market Instruments within such portfolio of a Fund shall only be valued on an amortised basis if such Money Market Instruments have a residual maturity of less than three months and do not have any specific sensitivity to market parameters (including credit risk). Using the amortised basis, the relevant instrument is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount on the instrument. The Manager, or the Administrator as its delegate, will review the valuation of such instruments to determine whether the value of the instruments calculated pursuant to the amortised cost

method of valuation deviates from the value of such instruments if valued on a mark-to-market basis and, if so, whether such deviation may result in a material dilution or other unfair results to the Shareholders in the relevant Fund. Any such review of the amortised cost valuation vis-à-vis market evaluation will be carried out in accordance with the Central Bank's guidelines.

9.2. Temporary Suspension of Valuation of the Shares and of Sales and Redemptions

The ICAV may temporarily suspend the determination of the Net Asset Value and the sale, conversion or redemption of Shares in the ICAV or any Fund during:

(i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of a Fund's investments, or when trading thereon is restricted or suspended;

(ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the ICAV is not reasonably practicable without this being seriously detrimental to the interests of Shareholders;

(iii) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of a Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;

(iv) any period when for any reason the prices of any investments of a Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;

(v) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of a Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;

(vi) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from a Fund's account;

(vii) upon the service on the Shareholders of a notice to consider a resolution to wind up the ICAV or close a Fund;

(viii) upon the occurrence of an event causing the ICAV to enter into liquidation; or

(ix) during any period when the Directors consider it to be in the interests of the ICAV or a Fund.

A suspension of redemptions may be made at any time prior to the payment of the redemption monies and the removal of the details of the relevant Shares from the Global Share Certificate. A suspension of subscriptions may be made at any time prior to the entry of the details of the relevant Shares on the Global Share Certificate.

Any such suspension shall be notified immediately (without delay) to the Central Bank. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

10. Dealing in shares

The Funds are exchange-traded funds which means that at least one Class of each Fund is a Class of Shares that is listed and actively traded on one or more stock exchanges. The ICAV may issue Shares of any Class of any Fund and on such terms as it may from time to time determine.

As with other vehicles limited by shares in Ireland, the ICAV is required to maintain a register of Shareholders.

Shares in the Funds may be issued in or converted to Dematerialised Form. In such circumstances, the relevant Funds will apply for admission for clearing and settlement through an appropriate Recognised Clearing System.

The settlement of trading of Shares is centralised in an ICSD structure. Shares will not generally be issued in Dematerialised Form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate issued to the Common Depositary's Nominee which is required for the ICSD settlement model (the ICSD being the Recognised Clearing Systems through which the Shares will be settled). The Funds will apply for admission for clearing and settlement through the ICSD. The ICSD for the Funds will be Euroclear and Clearstream.

Under the ICSD settlement model, all Shares in the Funds will ultimately settle in an ICSD but investors may have their holdings within Central Securities Depositaries which will be Participants. All Shares in issue will be represented by a Global Share Certificate and the Global Share Certificate will be deposited with a Common Depositary and registered in the name of the Common Depositary's Nominee on behalf of Euroclear or Clearstream (as relevant) and accepted for clearing through Euroclear or Clearstream (as relevant). The applicable ICSD for an investor is dependent on the market in which the Shares are traded.

A purchaser of interests in Shares in the Funds will not be a registered Shareholder in the ICAV, but will hold an indirect beneficial interest in such Shares. Legal title to the Shares in the Funds will be held by the Common Depositary's Nominee. The rights of the holder of the indirect beneficial interests in the Shares, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in such Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depositary (as appropriate) which may be a Participant or have an arrangement with a Participant. The extent to which, and the manner in which, Participants may exercise any rights arising under such Shares will be determined by the respective rules and procedures of their ICSD. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depositary's Nominee as registered Shareholder following instructions from the ICSD upon receipt of instructions from its Participants. All distributions, notices, reports, and statements issued to such Shareholder by the ICAV shall be distributed to the Participants in accordance with such applicable ICSD's procedures.

Interests in the Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws, any rules and procedures issued by the ICSD and this Prospectus. Beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD and this Prospectus.

International Central Securities Depositary

Each Participant must look solely to the ICSD for documentary evidence of the amount of such Participant's interests in any Shares. Any certificate or other document issued by the relevant ICSD, as to the interest in such Shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Participant must look solely to the ICSD for such Participant's (and therefore any person with an interest in the Shares) portion of each payment or distribution made by the Funds to or on the instructions of a Common Depositary's Nominee and in relation to all other rights arising under the Shares.

Participants shall have no claim directly against the ICAV, any Fund, any Paying Agent or any other person (other than their ICSD) relating to payments or distributions due in respect of the Shares which are made by the ICAV or the Funds to or on the instructions of the Common Depositary's Nominee and such obligations of the ICAV shall be discharged thereby. The ICSD shall have no claim directly against the ICAV, any Fund, any Paying Agent or any other person (other than the Common Depositary).

The ICAV or its duly authorised agent may from time to time require the holder of the indirect beneficial interest in the Shares to provide them with information relating to: (a) the capacity in which they hold an interest in such Shares; (b) the identity of any other person or persons then or previously interested in such Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the ICAV with applicable laws or the constitutional documents of the ICAV.

The ICAV or its duly authorised agent may from time to time request the applicable ICSD to provide the ICAV with certain details in relation to Participants that hold interests in Shares in each Sub-Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type (e.g. fund/bank/individual), residence of ICSD Participants, number of Funds and holdings of the Participant within Euroclear or Clearstream (as relevant), as appropriate including which Funds, types of Shares and the number of such interests in the Shares held by each such Participant, and details of any voting instructions given and the number of such interests in the Shares held by each such Participant. Euroclear and Clearstream Participants (as relevant) which are holders of interests in Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have been authorised pursuant to the respective rules and procedures of Euroclear or Clearstream (as relevant) to disclose such information to the ICAV of the interest in Shares or to its duly authorised agent. Similarly, the ICAV or its duly authorised agent may from time to time request any Central Securities Depositary to provide the ICAV with details in relation to Shares in each Fund or interests in Shares in each Fund held in each Central Securities Depositary and details in relation to the holders of those Shares or interests in Shares, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of Shares and interests in such Shares in a Central Securities Depositary or intermediaries acting on behalf of such holders agree to the Central Securities Depositary, pursuant to the respective rules and procedures of the relevant Central Securities Depositary, disclosing such information to the ICAV or its duly authorised agent.

The holder of the indirect beneficial interest in Shares may be required to agree to the applicable ICSD providing the identity of a Participant or investor to the ICAV upon their request.

Fractional Shares will not be issued.

Each Fund may issue different Classes. I**n order for an investor to be a Shareholder of a Class in a Fund and to exercise the rights associated with being a Shareholder, it must be registered in the ICAV's register of Shareholders**. Investors should have regard to the sections of the Prospectus entitled "Meetings". All subscriptions and redemptions are dealt on a forward pricing basis (i.e. by reference to the Net Asset Value per Share calculated as at the Valuation Point for the relevant Dealing Day).

The Primary Market is the market on which Shares are issued by the ICAV in respect of applications from Authorised Participants or Schroders Group entities providing seed capital or redeemed by the ICAV on instruction from Authorised Participants or Schroders Group entities redeeming their seed capital. Only Authorised Participants and Schroders Group entities providing or redeeming seed capital are able to instruct the subscription or redemption of Shares directly with the ICAV.

There is an obligation on one or more members of the relevant exchange to act as market makers, offering prices at which the Shares can be purchased or sold by investors on the secondary market. Certain Authorised Participants may also act as market makers. All Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid and efficient secondary market may develop over time on one or more relevant stock exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other secondary market investors or makers, broker/dealers, or other Authorised Participants.

Any specific terms and conditions and/or procedures and settlement details applicable to the subscription and redemption of Shares of a particular Class which supplement and/or vary the procedures described below will be set out in the relevant Supplement. The Directors reserve the right to issue amended or additional procedures relating to subscription and redemption of Shares, which will be notified to Shareholders in advance.

10.1. Subscriptions

General

The ICAV has absolute discretion to accept or reject in whole or in part any subscription for Shares without assigning any reason therefor. The ICAV may impose such restrictions as it believes necessary.

No Shares of any Fund or Class will be issued or allotted during a period when the determination of Net Asset Value of that Fund or Class is suspended.

Applications for subscriptions received by the Administrator for any Dealing Day before the applicable Trade Cut-Off Time will be processed by the Administrator for that Dealing Day. Any applications received after the applicable Trade Cut-Off Time will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day (at the discretion of the Directors or their delegates) provided

that such applications are received prior to the Valuation Point for such Dealing Day. An application for subscription, if received by the Administrator by the relevant Trade Cut-Off Time, will generally be irrevocable by the applicant and, following acceptance of such application by the ICAV, will generally be binding on both the applicant and the ICAV (save as determined by the Manager).

The subscription price of Shares is based on the Net Asset Value per Share together with Duties and Charges and Subscription Fee, if any. The maximum Subscription Fee that can be applied to a Fund is set out in the relevant Supplement.

In circumstances where the exact provision for Duties and Charges cannot be ascertained in sufficient time in advance of the applicable settlement date for the issue of the relevant Shares as specified in the relevant Supplement, the Duties and Charges paid in respect of the subscription may be estimated. Following the acquisition of investments by the ICAV, the applicant shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges received by the ICAV or, as the case may be, the ICAV shall reimburse the applicant for any excess in the estimated sum for Duties and Charges received by the ICAV in a timely manner and no interest shall accrue or be payable by the ICAV in respect of such excess. The applicant shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges received by the ICAV in a timely manner and the ICAV may charge the applicant interest or for costs incurred if the applicant fails to reimburse the ICAV in a timely manner.

Where set out in the relevant Supplement, a fixed amount may be charged in respect of Duties and Charges. Following the acquisition of investments by the Fund, any shortfall in the amount charged in respect of Duties and Charges shall be borne by the Fund and any excess in the estimated sum for Duties and Charges shall be retained by the Fund.

In the context of each application for subscription for Shares, the Manager (or its appointed delegate) shall have sole discretion as to whether Duties and Charges are charged as a fixed amount or charged to match the exact cost to the ICAV of purchasing the relevant underlying investments.

The ICAV may charge a Subscription Fee as set out in the relevant Supplement which may be waived in whole or in part at the discretion of the ICAV and/or the Manager (or its appointed delegates).

The Administrator and/or the ICAV reserves the right to request further details from an applicant for Shares. Each applicant must notify the Administrator of any change in their details and furnish the ICAV with whatever additional documents relating to such change as it may request. Amendments to an applicant's registration details and payment instructions will only be effected upon receipt by the Administrator of original documentation signed by the authorised signatories on the account.

It is further acknowledged that the ICAV, the Manager, the Investment Manager and the Administrator shall be indemnified and held harmless by the applicant against any loss arising as a result of a failure to process the subscription if information that has been requested by the ICAV or the Administrator has not been provided by the applicant.

The Trade Cut-Off Time and the Settlement Time for all subscriptions are set out below unless set out in the relevant Supplement.

Primary Market Subscriptions

Only Authorised Participants (or, in relation to the provision of seed capital, Schroders Group entities) may instruct a subscription for Shares directly with the ICAV.

During any Initial Offer Period determined by the Directors in relation to each Class of Shares, such Shares will be offered at an Initial Offer Price, as set out in the relevant Supplement. Outside of the Initial Offer Period, Shares may be applied for by Authorised Participants on each Dealing Day at the Net Asset Value per Share plus Duties and Charges and a Subscription Fee where set out in the relevant Supplement.

Authorised Participants, given the nature of the settlement model for Shares, will not appear on the register of Shareholders. However, Authorised Participants will have rights as beneficial holders of Shares. Authorised Participants who are Participants may exercise their rights as beneficial owners in accordance with the terms and conditions applicable to the arrangement between them, in their capacity as a Participant, and Euroclear or Clearstream (as relevant). Authorised Participants who are not Participants may exercise their rights as beneficial owners in accordance with the terms and conditions applicable to the arrangement between them and their respective nominee, broker or Central Securities Depositary (as appropriate) which may be a Participant or have an arrangement with a Participant.

Primary Market Subscription Procedure

All applicants, being Authorised Participants, applying for the first time to create Shares in any Fund must first enter into an Authorised Participant Agreement with the ICAV which may be obtained from the Manager and complete an Application Form obtained from the Administrator that shall be submitted to the Administrator by fax, or pdf attached to any email as agreed with the Administrator with the original to follow promptly by post to the Administrator. No Shares shall be issued or redeemed until the investor has evidenced to the Administrator the execution of an Authorised Participant Agreement with the ICAV and completed and delivered an original Application Form and supporting anti-money laundering documentation as described below. The ICAV has absolute discretion to accept or reject any Authorised Participant Agreement.

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Administrator. The ICAV and/or the Administrator will specify what proof of identity is required, including but not limited to a passport or identification card duly certified by a public authority such as a notary public, or the ambassador in their country of residence, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

The Administrator reserves the right to request further details or evidence of identity from an applicant for Shares. Authorised Participants must provide such declarations as are reasonably required by the ICAV, including, without limitation, declarations as to matters of Irish and US taxation. In this regard, Authorised Participants should take into account the considerations set out in the sections entitled "Declaration as to Status of Investor" and "Taxation".

Once the Authorised Participant Agreement, Application Form and supporting anti-money laundering documentation have been processed by the Administrator and accepted by, or on behalf of, the ICAV, an applicant may submit a dealing request to subscribe for Shares in a Fund by an electronic order entry facility or by submitting a dealing form via email or facsimile to the Administrator. Dealing forms may be obtained from the Administrator. The use of the electronic order entry facility is subject to the prior consent of the Investment Manager or the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Telephone calls may be recorded. Subscription orders are subject to the Trade Cut-Off Time. Deal instructions received after the Trade Cut-Off Time may be accepted for that Dealing Day, at the discretion of the Directors or their delegate, in exceptional circumstances, provided they are received prior to the Valuation Point.

All applications are at the applicant's own risk. Dealing forms and dealing requests, once submitted, shall be irrevocable save with the consent of the Directors or their delegate (which may be withheld at their discretion). The ICAV, the Manager, the Investment Manager and the Administrator shall not be responsible for any losses arising in the transmission of Authorised Participant Agreements, Application Forms and dealing forms or for any losses arising in the transmission of any dealing request by facsimile or through the electronic order entry facility.

The ICAV has absolute discretion to accept or reject in whole or in part any subscription for Shares without assigning any reason therefor. It is acknowledged that the ICAV, the Manager, the Investment Manager and the Administrator shall be held harmless by the applicant, transferee or Shareholder (as appropriate) against all loss arising as a result of the failure to process an initial subscription application, subsequent additional subscription, transfer of Shares or a redemption request if such information as has been requested by the Administrator has not been provided.

Primary Market Cash Subscriptions

Subscription orders for Shares will normally be accepted in amounts equal to, or at least, the Minimum Subscription Amount listed for each of the Funds in the relevant Supplement.

During any Initial Offer Period determined by the Directors in relation to each Class of Shares, such Shares will be offered at an Initial Offer Price, as set out in the relevant Supplement. Outside of the Initial Offer Period, Shares may be subscribed for by Authorised Participants on each Dealing Day at the Net Asset Value per Share plus Duties and Charges and a Subscription Fee where set out in the relevant Supplement.

Cash subscriptions shall be made in the relevant Class currency.

The Trade Cut-Off Time and the Settlement Time for all subscriptions are as set out in the relevant Supplement.

Directed Transactions

In connection with cash subscriptions for Shares, where agreed in advance with the Manager (or its appointed delegate), an Authorised Participant may request that the ICAV (on behalf of the relevant Fund) enter into a transaction for the purchase of the underlying relevant investments with the Authorised Participant or one or more brokers designated by such Authorised Participant (each, an "**AP Designated Broker**") and/or in one or more particular markets (each such transaction, a "**Directed Transaction**").

The ability to avail of the Directed Transaction facility shall at any time be at the sole discretion of the Manager (or its appointed delegate).

If any Authorised Participant wishes to avail of the Directed Transaction facility, the Authorised Participant is required to indicate its preference to avail of the Directed Transaction facility at the point of application and, prior to the applicable Trade Cut-Off Time (and in accordance with the procedures established by the Manager (or its appointed delegate)), contact both the Investment Manager and the relevant portfolio trading desk of the AP Designated Broker to arrange the Directed Transaction.

If an application for a cash subscription for Shares is accepted on the basis that a Directed Transaction will be permitted, as part of the Authorised Participant's settlement obligations, the Authorised Participant shall be responsible for ensuring that the AP Designated Broker transfers to the ICAV (via the Depositary) the relevant underlying investments. For the avoidance of doubt, Duties and Charges shall reflect the cost to the ICAV of purchasing the relevant underlying investments in connection with a subscription for Shares, whether the relevant underlying investments in connection with the relevant subscription for Shares are purchased solely from the AP Designated Broker or some of such investments are purchased from other brokers selected by the Investment Manager (for example, where not all of the relevant underlying investments are available for purchase from the AP Designated Broker). The ICAV, the Manager, the Investment Manager and the Administrator (and their respective delegates) shall not be responsible, and shall have no liability, if the execution of a Directed Transaction with an AP Designated Broker and, by extension, an Authorised Participant's subscription application, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the AP Designated Broker.

Failure to settle

In the event that (i) in respect of a cash subscription, an Authorised Participant fails to deliver the required cash within the Settlement Time specified in the relevant Supplement, or (ii) in respect of a cash subscription resulting in a Directed Transaction, an Authorised Participant fails to deliver the required cash within the Settlement Time specified in the relevant Supplement or the AP Designated Broker fails to transfer to the ICAV (via the Depositary) the relevant underlying investments (or part thereof) within the Settlement Time prescribed by the Manager (or its appointed delegate), the ICAV and/or the Manager (or its appointed delegate) reserves the right to cancel the relevant subscription application.

The Manager (or its appointed delegate) may, in its sole discretion where it believes it is in the best interest of the relevant Fund, decide not to cancel a subscription and provisional allotment of Shares where an Authorised Participant has failed to deliver the required cash within the Settlement Time specified in the relevant Supplement. In such circumstances, the ICAV may temporarily borrow an amount equal to the subscription price and invest the amount borrowed in accordance with the investment objective and policies of the relevant Fund. The ICAV reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the ICAV as a result of this borrowing.

In the context of a cash subscription resulting in a Directed Transaction, should an AP Designated Broker fail to transfer to the ICAV (via the Depositary) the relevant underlying

investments (or part thereof) within the Settlement Time prescribed by the Manager (or its appointed delegate), the ICAV and/or the Manager (or its appointed delegate) shall have the right to cancel the Directed Transaction (or relevant part thereof) and transact with one or more alternative brokers and to charge the relevant Authorised Participant for any interest, penalties or other costs incurred by the ICAV relating to the failed Directed Transaction (or relevant part thereof) and any new transactions entered into with alternative brokers.

The Authorised Participant shall indemnify the ICAV for any loss suffered by the ICAV as a result of (i) in the context of a cash subscription, any failure or delay by the Authorised Participant in delivering the required cash including, but not limited to, all costs of whatever nature incurred by a Fund in purchasing investments in anticipation of receipt, from the Authorised Participant of the required cash payable in respect of a cash subscription or (ii) in the context of a cash subscription resulting in a Directed Transaction, any failure by an AP Designated Broker to transfer to the ICAV (via the Depositary) the relevant underlying investments (or part thereof) within the Settlement Time prescribed by the Manager (or its appointed delegate), including, but not limited to, any market exposure, interest charges, penalties, and other costs of whatever nature suffered by the ICAV (including, but not limited to, the cost of borrowing and/or the costs associated with cancelling the Directed Transaction (or any relevant part thereof) and entering into new transactions with alternative brokers, each as referred to above). The Authorised Participant will be required to promptly reimburse the ICAV on demand. The ICAV will have the right to cancel the provisional allotment of Shares and/or sell or redeem all or part of the Authorised Participant's holding of Shares in the Fund (or in any other Fund) in order to meet some or all of these costs.

Primary Market *In specie* Subscriptions

Authorised Participants may subscribe for Shares *in specie* (i. e. by the transfer of investments or predominantly investments to the ICAV) only when agreed in advance with the Manager or where specified in the relevant Supplement.

The ICAV will publish the Portfolio Composition File for each Class setting out the investments and/or the anticipated Cash Component to be delivered by Authorised Participants in order to subscribe for Shares *in specie*. Only investments which form part of the investment objective and policy of a Fund will be included in the Portfolio Composition File. The weightings and holdings of the Portfolio Composition File may differ from time to time. The ICAV receives the calculation of this data from third parties. The provider of the Portfolio Composition File and the ICAV do not make any representation or warranty regardless of which formats the Portfolio Composition File is provided as to the accuracy of the information and shall not be liable for any damages resulting from the use of such information or any error in the information. For the avoidance of doubt, Authorised Participants may deliver investments which are not included in the Portfolio Composition File provided that such investments are consistent with the investment objective and policy of the relevant Fund and any costs involved in aligning a Fund's portfolio as a result are paid by the relevant Authorised Participant.

The Portfolio Composition File for each Class for each Dealing Day will be available upon request from the Administrator.

Investments delivered in connection with *in specie* subscription requests shall be valued in accordance with the provisions of this Prospectus.

On the Business Day following the Valuation Date corresponding to the Dealing Day for which receipt of an application for Creation Units is accepted, the Administrator will report to the Authorised Participant the amounts of the *in specie* transaction fee and Duties and Charges, if any, to be delivered by the Authorised Participant to the Depositary with the securities and cash comprising the Portfolio Composition File in order to effect the *in specie* subscription.

Shares shall not be issued until the securities and cash which comprise the Portfolio Composition File, the *in specie* transaction fee and Duties and Charges (if applicable) have been received by the Depositary and, if applicable, the Subscription Fee has been received by the Administrator (or the relevant party specified in a relevant Supplement).

Subscription orders will normally be accepted in amounts equal to or at least the value of the Creation Unit specified in the relevant Supplement.

During any Initial Offer Period determined by the Directors in relation to each Class of Shares, such Shares will be offered at a price applicable to *in specie* subscriptions, as set out in the relevant Supplement. Outside of the Initial Offer Period, Shares may be subscribed for on each Dealing Day at the Net Asset Value per Share plus Duties and Charges, the relevant *in specie* transaction fee which shall not exceed 5% of the Net Asset Value of Shares subscribed for on an *in specie* subscription (as the same may be waived or lowered by the Manager either generally or in any particular case) and a Subscription Fee where set out in the relevant Supplement.

Duties and Charges applicable may, following completion of the transaction, result in a negative balance to be charged to, and required to be paid by, the relevant Authorised Participant. Conversely, any positive balance resulting from the aggregate Duties and Charges arising in connection with a completed cash or partial-cash transaction shall be refunded to the Authorised Participant by the relevant Fund.

Settlement period

Settlement for Shares comprising a Creation Unit must be made through a Recognised Clearing and Settlement System and must be made within two Business Days following the Dealing Day for which the application for subscription is accepted unless otherwise stated. The settlement period may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the nature of the securities comprising the Portfolio Composition File but shall not in any event exceed ten Business Days from the relevant Dealing Day.

Failure to settle

In the event that an Authorised Participant fails to deliver to the Depositary one or more of the securities comprising the Portfolio Composition File by the designated time, the ICAV or its delegate may reject the application for subscription, or may require the Authorised Participant to pay a fee at least equal to the closing value of such undelivered securities on the Valuation Date for the relevant Dealing Day. On the payment of such amounts, the relevant Creation Unit will be issued. In the event that the actual cost to the ICAV of acquiring the securities (including any Duties and Charges) exceeds the aggregate of the value of such securities on the Valuation Date for the relevant Dealing Day, the *in specie* transaction fee and, if applicable, the Duties and Charges paid by the Authorised Participant, the Authorised Participant will be required to promptly reimburse the ICAV the difference on demand. The ICAV will have the right to sell or

redeem all or part of the Authorised Participant's holding of Shares in the Fund (or in any other Fund) in order to meet some or all of these charges.

10.2. Redemptions

General

Shares may be redeemed on every Dealing Day (save during any period when the calculation of the Net Asset Value is suspended) at the Net Asset Value per Share less any Duties and Charges and Redemption Fee, if any.

Applications for redemptions received by the Administrator for any Dealing Day before the relevant Trade Cut-Off Time will be processed by the Administrator for that Dealing Day by reference to the Net Asset Value per Share. Any applications received after the Trade Cut-Off Time will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day (at the discretion of the Directors or their delegates) provided that such applications are received prior to the Valuation Point for such Dealing Day.

No redemption will be made until the applicant has completed and delivered to the Administrator a redemption request and satisfied all the requirements of the Directors and the Manager as to such applicant's redemption request. Redemption requests shall (save as determined by the Manager) be irrevocable by the applicant and, following acceptance of such application by the ICAV, will be binding on both the applicant and the ICAV and shall be sent by post, fax or electronic means (where such means have the prior approval of the Central Bank) including electronic ordering platform or pdf attached to any email as may be permitted by the Directors in consultation with the Manager and agreed with the Administrator. Redemption orders sent by facsimile will be at the risk of the redeeming Shareholder. The Administrator will not make redemption payments to third parties and will not pay redemption proceeds until an original Application Form has been received from the redeeming Shareholder and all anti-money laundering procedures have been completed. Should the Shareholder wish for redemption payments to be made into an account other than that specified in the original Application Form, then the Shareholder must submit an original request in writing to the Administrator prior to, or at the time of, the redemption request. The proceeds redemption request received by the Administrator will only be paid to the account of record of the redeeming Shareholder.

Typically, where an investor redeems Shares on an *in specie* basis, redemptions will be paid on an *in specie* basis, at the discretion of the Manager, and subject as set out in the next proceeding paragraph.

If a Shareholder (which has originally subscribed for Shares in cash) requests redemption of Shares representing 5% or more of the Net Asset Value of a Fund, the Fund may elect to satisfy that redemption request *in specie* and will, if requested by the redeeming Shareholder(s) (and at the risk and cost of that Shareholder(s)), sell assets at the redeeming Shareholder(s) request.

If total redemption requests for a particular Fund on any Dealing Day represent 10% or more of the Net Asset Value of a Fund or of the total number of Shares of a Fund, each redemption request in respect of Shares in such Fund may, at the discretion of the Manager, be reduced rateably so that the total number of Shares of such Fund for redemption on that Dealing Day shall not exceed 10% of the Net Asset Value or of the total number of Shares of such Fund. Any part of a redemption request to which effect is not given by reason of the exercise of this power by the Manager shall be treated as if a request had been made in respect of the next Dealing Day and each succeeding Dealing Day (in relation to which the Manager shall have the same power) until the original requests have been satisfied in full.

The redemption price of Shares is based on the Net Asset Value per Share less any Duties and Charges and Redemption Fee, if any.

In circumstances where the exact provision for Duties and Charges cannot be ascertained in sufficient time in advance of the applicable settlement date for the redemption of the relevant Shares as specified in the relevant Supplement, the Duties and Charges paid in respect of the redemption may be estimated.

Following the disposal of investments by the ICAV, the redeeming Shareholder shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges deducted by the ICAV from the redemption price or, as the case may be, the ICAV shall reimburse the redeeming Shareholder for any excess in the estimated sum for Duties and Charges deducted by the ICAV from the redemption price. The ICAV shall reimburse the redeeming Shareholder for any excess in the estimated sum for Duties and Charges deducted by the ICAV from the redemption price in a timely manner and no interest shall accrue or be payable by the ICAV in respect of such excess. The redeeming Shareholder shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges deducted by the ICAV from the redemption price in a timely manner and the ICAV may charge the redeeming Shareholder interest or for costs incurred if the applicant fails to reimburse the ICAV in timely manner.

Where set out in the relevant Supplement, a fixed amount may be charged in respect of Duties and Charges. The maximum level of such amount, which shall be expressed as a percentage of the Net Asset Value of Shares being redeemed, shall be specified in the relevant Supplement of the Net Asset Value of Shares being redeemed. Following the disposal of investments by the Fund, any shortfall in the amount charged in respect of Duties and Charges shall be borne by the Fund and any excess in the estimated sum for Duties and Charges shall be retained by the Fund.

In the context of each application for redemption of Shares, the Manager (or its appointed delegate) shall have sole discretion as to whether Duties and Charges are charged as a fixed amount or charged to match the exact cost to the ICAV of selling the relevant underlying investments.

The ICAV may charge a Redemption Fee as set out in the relevant Supplement which shall not exceed 3% of the Net Asset Value of the Shares being redeemed and which may be waived in whole or in part at the discretion of the ICAV and/or the Manager (or its appointed delegates).

The Trade Cut-Off Time and the Settlement Time for all redemptions are as set out below unless set out in the relevant Supplement.

Primary Market Redemptions

Only Authorised Participants (or, in relation to the redemption of seed capital, Schroders Group entities) may apply to redeem Shares directly with the ICAV.

Authorised Participants may apply to redeem Shares directly with the ICAV at the Net Asset Value per Share (and after taking account of any Duties and Charges and Redemption Fee) for any Dealing Day in accordance with the procedures set out in this Prospectus.

Primary Market Cash Redemptions

Applications for redemption of Shares will normally be accepted in amounts equal to, or at least, the Minimum Redemption Amount listed for each of the Funds in the relevant Supplement.

Shares may be redeemed on each Dealing Day at the Net Asset Value per Share as adjusted for Duties and Charges and any Redemption Fee (where set out in the relevant Supplement).

In the event that the ICAV has notified all Relevant Stock Exchanges that an affected Fund is open for direct redemptions with the ICAV by investors other than Authorised Participants, then the Minimum Redemption Amounts listed in the relevant Supplement will not apply.

Any requests for details regarding redemptions should be made in advance of the Trade Cut-Off Time in accordance with any procedures prescribed by the Manager (or its delegate) from time to time.

Directed Transactions

In connection with cash redemptions for Shares, where agreed in advance with the Manager (or its appointed delegate), an Authorised Participant may request that the ICAV (on behalf of the relevant Fund) enter into a transaction for the sale of the underlying relevant investments with the Authorised Participant or one or more brokers designated by such Authorised Participant (each, an "**AP Designated Broker**") and/or in one or more particular markets (each such transaction, a "**Directed Transaction**"). The ability to avail of the Directed Transaction facility shall at any time be at the sole discretion of the Manager (or its appointed delegate).

If any Authorised Participant wishes to avail of the Directed Transaction facility, the Authorised Participant is required to indicate its preference at the point of application and, prior to the applicable Trade Cut-Off Time (and in accordance with the procedures established by the Manager (or its appointed delegate)), contact both the Investment Manager and the relevant portfolio trading desk of the AP Designated Broker to arrange the Directed Transaction.

If an application for a cash redemption of Shares is accepted on the basis that a Directed Transaction will be permitted, as part of the Authorised Participant's settlement obligations, the Authorised Participant shall be responsible for ensuring that the AP Designated Broker purchases the relevant underlying investments from the ICAV. For the avoidance of doubt, Duties and Charges shall reflect the cost to the ICAV of disposing of the relevant underlying investments in connection with a redemption of Shares whether the relevant underlying investments in connection with the relevant redemption for Shares are sold solely to the AP Designated Broker or some of such investments are sold to other brokers selected by the Investment Manager (for example, where not all of the relevant underlying investments can be sold to the AP Designated Broker). The ICAV, the Manager, the Investment Manager and the Administrator (and their respective delegates) shall not be responsible, and shall have no liability, if the execution of a Directed Transaction with an AP Designated Broker and, by extension, an Authorised Participant's redemption application, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the AP Designated Broker.

Failure to settle

In the event that (i) in respect of a cash redemption, an Authorised Participant fails to deliver the required number of Shares within the Settlement Time specified in the relevant Supplement, or (ii) in respect of a cash redemption resulting in a Directed Transaction, an Authorised Participant fails to deliver the required number of Shares within the Settlement Time specified in the relevant Supplement or the AP Designated Broker fails to purchase from the ICAV the underlying investments (or part thereof) within the Settlement Time prescribed by the Manager (or its appointed delegate), the ICAV and/or the Manager (or its appointed delegate) reserves the right to cancel the relevant redemption application or postpone the settlement of the relevant redemption application until after such time as (i) in the context of a cash redemption, the ICAV has received the required number of Shares from the Authorised Participant, or (ii) in the context of a cash redemption resulting in a Directed Transaction, the AP Designated Broker has purchased from the ICAV the underlying investments in their entirety.

In the context of a cash redemption resulting in a Directed Transaction, should an AP Designated Broker fail to purchase from the ICAV the relevant underlying investments (or part thereof) within the Settlement Time prescribed by the Manager (or its appointed delegate), the ICAV and/or the Manager (or its appointed delegate) shall have the right to cancel the Directed Transaction (or relevant part thereof) and transact with one or more alternative brokers and to charge the relevant Authorised Participant for any interest or other costs incurred by the ICAV relating to the failed Directed Transaction (or relevant part thereof) and any new transactions entered into with alternative brokers.

The Authorised Participant shall indemnify the ICAV for any loss suffered by the ICAV as a result of (i) in the context of a cash redemption, any failure or delay by the Authorised Participant in delivering the required number of Shares including, but not limited to, all costs of whatever nature incurred by a Fund in disposing of investments from the Authorised Participant of the required Shares payable in respect of a cash redemption or (ii) in the context of a cash redemption resulting in a Directed Transaction, any failure by an AP Designated Broker to purchase from the ICAV the relevant underlying investments (or part thereof) within the Settlement Time prescribed by the Manager (or its appointed delegate), including, but not limited to, any market exposure, interest charges and other costs of whatever nature suffered by the ICAV (including, but not limited to, the cost of borrowing and/or the costs associated with cancelling the Directed Transaction (or any relevant part thereof) and entering into new transactions with alternative brokers, each as referred to above). The Authorised Participant will be required to promptly reimburse the ICAV on demand. The ICAV will have the right to sell or redeem all or part of the Authorised Participant's holding of Shares in the Fund (or in any other Fund) in order to meet some or all of these costs.

Primary Market *In-Specie* Redemptions

Authorised Participants may redeem Shares *in specie* only when agreed in advance with the Manager or where specified in the relevant Supplement.

The minimum number of Shares that may be redeemed *in specie* is equivalent to one Creation Unit. Applications for redemption of Shares will only be accepted from Authorised Participants and will normally be accepted in amounts as equal to or at least the value of the relevant Creation Unit.

The ICAV will publish the Portfolio Composition File for each Class setting out the investments and/or the anticipated Cash Component to be delivered by the ICAV in order to effect a redemption *in specie*. Only investments which form part of the investment objective and policy of a Fund will be included in the Portfolio Composition File. The weightings and holdings of the Portfolio Composition File may differ from time to time. The ICAV receives the calculation of this data from third parties. The provider of the Portfolio Composition File and the ICAV do not make any representation or warranty regardless of which formats the Portfolio Composition File is provided as to the accuracy of the information and shall not be liable for any damages resulting from the use of such information or any error in the information. Typically, the ICAV will deliver to the Authorised Participant a portion of all assets comprising the relevant Fund's portfolio on a pro-rata basis, though the Manager may determine otherwise in the best interests of the remaining Shareholders in the relevant Fund.

The Portfolio Composition File for each Class for each Dealing Day will be available upon request from the Administrator.

On the Business Day following the Valuation Date corresponding to the Dealing Day for which receipt is accepted, the Administrator will report to the applicant the amount of the Cash Component to be delivered by the Depositary to the applicant with the investments comprising the Portfolio Composition File and the amounts of the *in specie* transaction fee and Duties and Charges, if any, to be deducted by the Depositary from the redemption proceeds.

Applications for redemptions of Creation Units must be made to the Administrator before the Trade Cut-Off Time in accordance with the specific procedures made available by the Administrator. All applications for redemptions of Creation Units *in specie*, if received by the Administrator by the relevant Trade Cut-Off Time, will generally be irrevocable by the applicant and, following acceptance of such application by the ICAV, will generally be binding on both the applicant and the ICAV (save as determined by the Manager). The Administrator must accept the request for redemption of Creation Units prior to any delivery instructions being issued to the Depositary in relation to the securities or cash comprising the Portfolio Composition File.

Redemption price

The redemption price will be the aggregate of the Net Asset Value per Share on the relevant Dealing Day of the Shares comprising the Creation Unit less the aggregate of (a) in respect of each Creation Unit, the relevant *in specie* transaction fee which shall not exceed 5% of the Net Asset Value of Shares redeemed (as the same may be waived or lowered by the Manager either generally or in any particular case), (b) Duties and Charges, and (c) if applicable, any Redemption Fee.

The redemption price per Creation Unit will be payable by transferring to the order of the ICAV the securities comprising the Portfolio Composition File, less a cash amount equal to the relevant *in specie* transaction fee and any applicable Duties and Charges and any applicable Redemption Fee (where set out in the relevant Supplement).

Settlement period

The standard settlement period for *in specie* redemptions is two Business Days following the Dealing Day on which the application for redemption is accepted but may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares and the underlying securities of the Fund are traded. Notwithstanding the foregoing the settlement period for payment of *in specie* redemption proceeds should not exceed ten Business Days. Any cash to be paid in respect of an *in specie* redemption will be for value on the same day as settlement of the securities.

Partial cash settlement

The ICAV may, in its absolute discretion, satisfy part of the application for *in specie* redemption in cash, for example in cases in which it believes that an investment held by a Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the applicant for redemption *in specie*.

Failure to settle

In the event that an Authorised Participant fails to deliver to the Depositary such number of Shares that at least equates in value to the Minimum Redemption Amount by the designated time, the Manager may cancel the request for redemption and the Authorised Participant shall indemnify the ICAV for any loss suffered by the Fund as a result of a failure by the Authorised Participant to deliver the Shares by the relevant time. The ICAV will have the right to sell or redeem all or part of the Authorised Participant's holding of Shares in the Fund (or in any other Fund) in order to meet some or all of these charges.

10.3. Secondary Market Dealings in Shares

General

Shares may also be acquired or purchased through the secondary market.

Investors may pay more than the then current Net Asset Value per Share when buying Shares on the secondary market and may receive less than the then current Net Asset Value per Share when selling Shares on the secondary market.

The price of any Shares traded on the secondary market will depend, inter alia, on market supply and demand as well as other factors such as prevailing financial market, corporate, economic and political conditions.

Shares of a Fund purchased on the Secondary Market cannot usually be sold directly back to the ICAV. Investors must buy and sell Shares on a Secondary Market with the assistance of an intermediary (e.g. a broker) and may incur fees for doing so.

Shares may be purchased or sold on the Secondary Market by all investors through the relevant Recognised Stock Exchange on which the Shares are admitted to trading or over the counter.

It is expected that the Shares of the Funds will be listed on one or more Recognised Stock Exchanges. The purpose of the listing of the Shares on stock exchange is to enable investors to buy and sell Shares on the Secondary Market, normally via a broker/dealer or third-party administrator, in smaller quantities than would be possible if they were to subscribe and/or redeem Shares through the ICAV in the

Primary Market. In accordance with the requirements of the relevant Recognised Stock Exchange, market-makers (which may or may not be an Authorised Participant) are expected to provide liquidity and bid and offer prices to facilitate the Secondary Market trading of the Shares.

All investors wishing to purchase or sell Shares of a Fund on the Secondary Market should place their orders via their broker. Orders to purchase Shares in the Secondary Market through the Recognised Stock Exchanges, or over the counter, may incur brokerage and/or other costs which are not charged by the ICAV and over which the ICAV has no control. Such charges are publicly available on the Recognised Stock Exchanges on which the Shares are listed or can be obtained from stock brokers. Investors in Shares, given the nature of the settlement model for Shares, will not be recorded on the register of Shareholders. However, investors will have rights as beneficial holders of the relevant Shares. Investors who are Participants may exercise their beneficial ownership rights by means of their arrangement with Clearstream or Euroclear (as relevant). Investors who are not Participants may exercise their beneficial ownership rights by means of their arrangement with their respective nominee, broker or CSD (as appropriate) which may be a Participant or have an arrangement with a Participant.

Investors may redeem their Shares through an Authorised Participant by selling its Shares to the Authorised Participant (directly or through a broker).

The market price of a Share listed or traded on a stock exchange may not reflect the Net Asset Value per Share of a Fund. The price of any Shares traded on the Secondary Market will be determined by the market and prevailing economic conditions which may affect the value of the underlying assets. Any transactions in the Shares of a Fund on a stock exchange will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed.

If the stock exchange value of the Shares of a Fund significantly varies from its Net Asset Value, Shareholders who have acquired their Shares (or, where applicable, any right to acquire a Share) on the Secondary Market shall be allowed to sell them directly back to the ICAV. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information shall be communicated to the regulated market indicating that the ICAV is open for direct redemptions at the level of the ICAV. Investors should then contact the Administrator regarding the process to be followed to redeem their Shares in these circumstances. In such circumstances, Shares may be redeemed at the Net Asset Value per Share less Duties and Charges.

The Secondary Market dealing timetable depends upon the rules of the exchange upon which the Shares are dealt or the terms of the over the counter trade. Please contact your professional advisor or broker for details of the relevant dealing timetable.

Secondary Market Redemptions

Shares of a Fund purchased on the Secondary Market cannot usually be sold directly back to the ICAV. Investors must buy and sell Shares on a Secondary Market with the assistance of an intermediary (e.g. a broker) and may incur fees for doing so.

However, there are limited circumstances where investors other than Authorised Participants will be permitted to redeem their shareholding directly with the ICAV.

An investor (that is not an Authorised Participant) shall have the right, subject to compliance with relevant laws and regulations, to request that the ICAV buys back its Shares in respect of a Fund in circumstances where the Manager has determined in its sole discretion that the Net Asset Value per Share of the relevant Class differs significantly to the value of a Share of the relevant Class traded on the Secondary Market, for example, where no Authorised Participants are acting, or willing to act, in such capacity in respect of the Class (a "**Secondary Market Disruption Even**t").

If, in the view of the Manager, a Secondary Market Disruption Event exists, the Manager will issue a "**Non-AP Buy-Back Notice**" and announcement(s) on the Relevant Stock Exchanges containing the terms of acceptance, minimum redemption amount and contact details for the buy-back of Shares.

The Manager's agreement to buy back any Shares is conditional on the Shares being delivered back into the account of the Administrator at Clearstream or at Euroclear and relevant confirmations given by Clearstream or Euroclear. The redemption request will be accepted only on delivery of the Shares.

Shares bought back from an investor who is not an Authorised Participant will be redeemed in cash. Payment is subject to the investor having first completed any required identification and anti-money laundering checks. *In-specie* redemptions may be available at an investor's request at the Manager's absolute discretion.

Redemption orders will be processed on the Dealing Day on which the Shares are received back into the account of the Administrator by the Trade Cut-Off Time less any applicable Duties and Charges and other reasonable administration costs, provided that the completed buy-back request has also been received.

The Manager may at its complete discretion determine that the Secondary Market Disruption Event is of a long-term nature and is unable to be remedied. In that case the Manager may resolve to compulsorily redeem investors and may subsequently terminate the Fund.

Any investor requesting a buyback of its shares in case of a Secondary Market Disruption Event may be subject to taxes as applicable, including any capital gains taxes or transaction taxes. Therefore, it is recommended that prior to making such a request, the investor seeks professional tax advice in relation to the implications of the buy-back under the laws of the jurisdiction in which they may be subject to tax.

10.4. Dealing Information

Declaration as to Status of Investor

The ICAV should not be required to account for tax on any transaction in relation to, or in respect of, Shares which are held in a Recognised Clearing System. To the extent Shares are held outside a Recognised Clearing System in the future, the ICAV may be required to deduct tax on redemption monies and distributions at the applicable rate unless it has received from the relevant applicant (in respect of redemptions) or Shareholder (in respect of distributions) a declaration in the prescribed form. The ICAV reserves the right to redeem such number of Shares held by such applicant (in respect of redemptions) or Shareholder (in respect of distributions) (as relevant) as may be necessary to

discharge the tax liability arising. In addition, the ICAV may be required to account for tax at the applicable rate on the value of the Shares transferred to another entity or person unless it had received from the transferor a declaration treatment the prescribed form. The ICAV reserves the right to redeem such number of Shares held by the transferor as may be necessary to discharge the tax liability arising. The ICAV reserves the right to refuse to register a transfer of Shares until it receives a declaration in the prescribed form as to the transferee's residency or status in a form prescribed by the Revenue Commissioners.

Mandatory Redemption of Shares

Investors are required to notify the ICAV immediately in the event that they become US Persons. Shareholders who become US Persons will be required to dispose of their Shares to non-US Persons on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The ICAV reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a US Person or other person if the holding of the Shares by such other person is unlawful or, in the opinion of the Directors, the holding might result in the ICAV, the Funds or the Shareholders incurring any liability to taxation or suffering any pecuniary, legal, regulatory or material administrative disadvantage which the ICAV, the Funds or the Shareholders might not otherwise suffer or incur.

Transfer of Shares

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Global Share Certificate.

The Directors may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the relevant minimum holding, if there is such a minimum holding, or would otherwise infringe the restrictions on holding Shares outlined above.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the ICAV or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The transferee will be required to complete an application form and provide anti-money laundering documentation as required by the Administrator which includes a declaration that the proposed transferee is not a US Person and not acquiring Shares on behalf of a US Person.

Conversion of Shares

With the prior consent of the Directors or their delegate, at their discretion, and provided that conversion of Shares is authorised in the relevant Supplement, a Shareholder may convert Shares of one Fund into other Shares of the same Fund or into Shares of another Fund on giving notice to the Directors or their delegate in such form as the Directors or their delegate may require provided that the Shareholder satisfies the minimum investment criteria. **The switching charge for the conversion of Shares in a Fund into Shares of another Fund shall be 3% of the Net Asset Value per Share.** Conversion will take place in accordance with the following formula:

$$NS = \frac{(A \times B \times C) - D}{E}$$

where:

NS = the number of Shares which will be issued in the new Fund;

A = the number of the Shares to be converted;

B = the redemption price of the Shares to be converted;

C = the currency conversion factor, **if any**, as determined by the Directors;

D = a switching charge of up to 3% of the Net Asset Value per Share of each Share to be switched; and

E = the Net Asset Value per Share in the new Fund on the relevant Dealing Day.

If NS is not an integral number of Shares the Administrator reserves the right to return the surplus arising to the Shareholder seeking to convert the Shares.

The ICAV shall disclose details of when an application received from a Shareholder to convert Shares is refused.

Confirmations

A written confirmation of ownership will be sent to the applicant following the Dealing Day. Shares will not be issued until such time as the Administrator is satisfied with all the information and documentation required to identify the applicant and is satisfied that the relevant investments and Cash Component for in kind subscriptions or cash for cash subscriptions have been received by it.

Publication of the Price of the Shares

Except where the determination of the Net Asset Value has been suspended in the circumstances described under the heading *"Temporary Suspension of Valuation of the Shares and of Sales, Repurchases and Conversions"* below, the Net Asset Value per Share for each Dealing Day shall, on the following Business Day, be notified by the Administrator without delay to all Relevant Stock Exchanges and made available at the registered office of the Administrator and published on https://www.schroders.com/en-ie/ie/individual/fund-centre/ . Such information is for informational purposes only and is not an invitation to subscribe for, redeem or convert Shares at the published Net Asset Value.

Publication of a Fund's Investments

A list of the investments held by each Fund will be published in accordance with the requirements of the Central Bank. Unless otherwise stated in the relevant Supplement, the list will be made available on a daily basis on the relevant product page for such Fund at https://www.schroders.com/en-ie/ie/individual/fund-centre/ or where otherwise indicated in respect of a particular Fund in the relevant Supplement.

Portfolio Composition File

The ICAV publishes a Portfolio Composition File for each Class of Shares for each Dealing Day providing an indication of the investments and Cash Component required for trading in a particular Class. Whilst a Portfolio Composition File is produced for each Class, for the avoidance of doubt, all investments are held at the Fund level. For a Hedged Class in a Fund, the derivatives used to implement the currency-hedging strategy shall be assets or liabilities of the Fund as a whole but the gains or losses thereon and any costs associated with such derivatives will be attributed to the relevant Hedged Class and reflected in the Portfolio Composition File for the relevant Hedged Class. The Portfolio Composition File for each Class of Shares for each Dealing Day will be available upon request from the Administrator and will be published via one or more market data suppliers.

The Portfolio Composition File sets out the Cash Component to be delivered (a) by Authorised Participants to the ICAV in the case of *in specie* subscriptions; or (b) by the ICAV to the Authorised Participants in the case of *in specie* redemptions.

The Portfolio Composition File is prepared by third parties contracted by the ICAV and the Manager. The provider of the Portfolio Composition File, the ICAV and the Manager do not make any representation or warranty (regardless of which formats the Portfolio Composition File is provided to Authorised Participants or investors) as to the accuracy of the Portfolio Composition File and shall not be liable for any damages resulting from the use of such information or any error in the information comprised within the Portfolio Composition File.

Data Protection Notice

Prospective investors should note that by completing the Application Form they have provided personal information, which may constitute "personal data" within the meaning of the Data Protection Legislation.

Investors' personal data will be used by the ICAV and/or the Manager for the following purposes:

- to manage and administer an investor's holding in the ICAV and any related accounts on an ongoing basis in accordance with the contract between the investor and the ICAV;
- to comply with legal and regulatory obligations applicable to the investor and the ICAV from time to time including applicable anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the information reporting regimes set out in Section 891C and Section 891E to Section 891G (inclusive) of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), Shareholders' personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the US Internal Revenue Service and foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard; and
- to record the telephone calls from investors, Shareholders and other individuals to the Fund and its agents and service providers for record-keeping, security, quality assurance and training purposes.

Investors' personal data may be disclosed by the ICAV and/or the Manager to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same or related purposes.

Investors' personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the ICAV and/or the Manager is required to ensure that such processing of investors' personal data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is "Privacy Shield" certified, if appropriate. For more information on the means of transfer of investors' data or a copy of the relevant safeguards, please contact the Manager, at 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg.

Pursuant to the Data Protection Legislation, investors have a number of rights which may be exercised in respect of their personal data, i.e.:

- the right of access to personal data held by the ICAV and/or the Manager;
- the right to amend and rectify any inaccuracies in personal data held by the ICAV and/or the Manager;
- the right to erase personal data held by the ICAV and/or the Manager;
- the right to data portability of personal data held by the ICAV and/or the Manager; and
- the right to request restriction of the processing of personal data held by the ICAV and/or the Manager; and
- the right to object to processing of personal data by the ICAV and/or the Manager.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the ICAV and/or the Manager to discharge these rights, for example because of the structure of the ICAV or the manner in which the Shareholder holds Shares in a Fund. Investors may make a request to the ICAV and/or the Manager to exercise these rights by contacting the Manager at 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg.

Please note that personal data may be retained by the ICAV and/or the Manager for the duration of an investor's investment and afterwards in accordance with the ICAV and/or the Manager's legal and regulatory obligations, including but not limited to the ICAV's or the Manager's record retention policy.

The ICAV and the Manager are each a data controller within the meaning of the Data Protection Legislation and each undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the ICAV and/or the Manager uses investors' personal data, please contact the Manager at 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg. Investors have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Manager.

Statement for the purposes of the UK Offshore Funds (Tax) Regulations 2009

In accordance with the requirements laid out in Chapter 6 of the UK Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) the Manager hereby states that:

Equivalence Condition

The ICAV complies with the requirements of the UCITS Directive.

Genuine Diversity of Ownership Condition

Interests in the ICAV are widely available, and the Manager undertakes that they will be marketed and made available sufficiently widely and in a manner appropriate to reach the intended categories of investor who meet the broad requirements for investment in any given Share Class, and are not intended to be limited to particular investors or narrowly-defined groups of investor. Provided that a person meets the broad requirements for investment in any given Share Class, he/she may obtain information on and acquire the relevant Shares in the ICAV.

11. Management and administration

11.1. The Board of Directors

The Board of Directors is responsible for managing the business affairs of the ICAV in accordance with the Instrument of Incorporation. The Directors have delegated certain of their powers, duties and functions to the Manager which has, in turn, delegated certain of its powers, duties and functions to the Administrator and the Investment Manager, subject to supervision and direction by the Directors and provided that the delegation does not prevent the ICAV from being managed in the best interests of its Shareholders. The conduct of the ICAV's business shall be decided by at least two of the Directors.

The Directors and their principal occupations are set forth below. The address of the Directors is the registered office of the ICAV.

Gerald Brady (Irish Resident)

Gerry Brady is an independent, non-executive director and consultant in the regulated, international financial services industry. Mr. Brady has 30 years' experience of the funds industry, both as a director and full-time executive, and has held senior executive management positions in Bank of Bermuda (now HSBC), Capita Financial Group (now Waystone) and Northern Trust. Mr. Brady has worked both abroad and in Ireland and is a past Council Member of Irish Funds (IF) and former Executive Board Member of Financial Services Ireland/Irish Business and Employers Confederation (FSI/IBEC). Mr. Brady has a First Class Honours degree in Economics and is a Fellow of the Institute of Chartered Accountants of Ireland (FCA) and a Chartered Financial Analyst (CFA).

Joanne Joyce (Irish Resident)

Joanne joined Schroders Greencoat, a specialist investment manager dedicated to the renewable energy infrastructure sector, in 2019 and is responsible for all legal and operational matters including debt origination of the Greencoat Renewables Plc fund. Joanne has been working in the renewable energy sector for over 20 years and started her career in private practice with A&L Goodbody Solicitors, with a focus on the financing of large-scale infrastructure projects in the energy sector. Prior to joining Schroders Greencoat, Joanne was Head of Legal and Compliance for Asper Investment Management Limited, a London based investment management firm focused on building sustainable infrastructure businesses. Joanne has a LLB (Hons) in Law from The National University of Ireland, Galway and a Diploma in Finance Law from the Law Society of Ireland.

Tom Stapleton (UK Resident)

Tom Stapleton is Global Product Owner, Analytics & Reporting at Schroder Investment Management Ltd. Mr. Stapleton has over 25 years' experience in the financial sector. Prior to commencing his current role in 2025, he was Global Head of Accounting & Performance at Schroders with operational responsibilities for portfolio accounting, performance measurement and fund operations. He joined Schroders in 2009, and prior to this he was at Capital International Ltd for 11 years, where he worked in various roles, including Portfolio Analysis Group Manager. He has a degree in Business Studies from Middlesex University, and holds the Chartered Financial Analyst (CFA) designation.

The Secretary of the ICAV is Bradwell Limited.

The Instrument of Incorporation does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The Instrument of Incorporation provides that a Director may be a party to any transaction or arrangement with the ICAV or in which the ICAV is interested, provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. However, a Director may vote in respect of any proposal concerning any other ICAV in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such ICAV or of the voting rights available to members of such ICAV. A Director may also vote in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the ICAV or- in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the ICAV for which the Director has assumed responsibility in whole or in part.

The Instrument of Incorporation provides that the Directors may exercise all the powers of the ICAV to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

11.2. The Manager

The ICAV has appointed the Manager Schroder Investment Management (Europe) S.A. as manager of the ICAV on the terms and conditions of the Management Agreement. The Manager shall, subject to the overall control and supervision of the Directors, provide administration, distribution, investment management and related services to the ICAV.

The Manager was incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg on 23 August 1991 and is registered on the Luxembourg Commercial Register under number B37799. The registered office of the Manager is 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg. The Manager acts as management company to one Irish-domiciled UCITS fund and three Luxembourg-domiciled UCITS funds.

The directors of the Manager are:

Peter Hilborne (Chairman of the Board)

Peter Hilborne is a director of the Manager and currently serves as Group Chief Operating Officer, Global Operating Platform at Schroders.

Before joining Schroders in 2017, Peter was Global Head of Solutions at Columbia Threadneedle Investments from 2006 to 2017. Peter was Head of Operational Controls at Barclays Global Investors from 2005 to 2006 and a Senior Manager at PricewaterhouseCoopers from 1992 to 2005.

Peter holds a BA (Hons) in Economics and Accounting from Durham University, United Kingdom.

Garth Taljard

Garth Taljard is a director of the Manager. He is the Global Head of Investment Product and Multi-Asset Management, responsible for investment product across public markets, delivering high quality solutions for clients globally across equities, fixed income, and multi-asset. Prior to joining Schroders in 2011, Garth was a Portfolio Manager at Old Mutual in South Africa from 2000 to 2010, where he managed the largest absolute return strategy in the country at the time. Garth holds a Bachelor of Business Science in Actuarial Science from the University of Cape Town, is a CFA charter, and is a Fellow of the Institute and Faculty of Actuaries.

Vanessa Grueneklee

Vanessa Grueneklee is a director of the Manager and the Conducting Officer responsible for Marketing activities.

She is currently the Global Head of Client Service Delivery at Schroders.

Before joining Schroders in 2018, Vanessa held several roles at AXA Investment Managers Deutschland GmbH between 1999 to 2018, including serving as Head of Retail Operations, Head of Cross Border Client Operations Management, Head of European Client Operations, and Global Head of Client Operations and Distribution Support. Before her time at AXA, Vanessa worked at Enskilda Securities in Paris and Frankfurt, from 1997 to 1999.

She holds a Masters in Finance and Information Technology from Université Paris IX Dauphine, France and a Masters in Management of Financial Market Operations from Université de Lyon, France.

Ed Mitchell

Ed Mitchell is Head of Client Group Strategy Execution & Delivery and is an accomplished senior executive with extensive international experience across asset management, wealth management, and investment banking. Most recently, Ed served as Managing Director and Global Head of Distribution Business Operations at BNY Investments, where he was a member of the Global Distribution Executive Committee and the Investments Extended Leadership Team. He was also co-COO for BNY's Business Management and Client Committee, covering all businesses across the BNY group. Prior to this, Ed was Integration Director at Henderson Global Investors for the $320bn merger between Henderson and Janus Capital. Before the merger, he was Business Director for the Investment Management Division. Earlier in his career, Ed spent eight years at Barclays in London and Singapore, progressing through senior roles in wealth management, private banking, and investment banking, including Chief Operating Officer for the Global Chief Controls Office and Chief of Staff to the Asia CEO of Private Banking. Ed began his career at PayPoint and McLagan Partners before moving into senior leadership roles. He holds a BA in Business Finance from the University of Durham.

Marcel Vogt

Marcel Vogt is the Chief Operating Officer Private Debt & Credit Alternatives (PDCA) within Schroders Capital, based in Zurich. He joined Schroders in April 2018, initially as COO of Schroder Investment Management (Switzerland) AG and as a member of the Board of Management until February 2024. He was previously Senior Project Manager for Funds Investment Projects at Credit Suisse Funds AG from 2014 to 2018. Marcel held several senior positions in Operations, Middle Office and Project Management with Man Investments in Switzerland and the UK from 2003 to 2014. He holds a Master of Advanced Studies ZFH in Project Management from the University of Applied Sciences in Business Administration Zurich.

Finbarr Browne

Finbarr Browne has served as the Luxembourg Country Head for Schroders since January 2020. He is a director of the Manager and the Conducting Officer responsible for Accounting and the oversight of all activities performed by the branches of the Manager. Schroders has been operating in Luxembourg for more than 30 years, with assets under management of approximately €190bn across public and private market investment strategies.

In addition to his Luxembourg role, Finbarr is the Global Head of Fund Platform. He joined the board of directors of ALFI (Luxembourg Fund Industry Association) in February 2020.

He has previously held regional and global roles in Operations, Finance and Change Management during his more than 20 years with Schroders Group. He has also worked at Deloitte and Brown Brothers Harriman before joining Schroders.

Mike Sommer

Mike Sommer is a director of the Manager and the Conducting Officer responsible for Risk, Compliance and IT functions.

He is responsible for product and legal entity compliance within the Manager's local risk management framework, as well as Schroders' Investment Risk Framework and Group Operational Risk Management framework (EMEA Region, excluding the UK and Switzerland).

Before joining Schroders in 2019, Mike was Conducting Officer and Head of Risk Management at FTIS S.à r.l. from 2017 to 2019. He previously held several roles within Franklin Templeton Investments in Luxembourg from 2007 to 2017, including Compliance & Risk Officer/MLRO and Head of Risk Management, with responsibility for regulatory investment risk compliance in EMEA.

Mike holds a degree in Economics from the University of Trier in Germany and is the current Co-Chair of the ALFI Real Assets Risk Management Working Group.

Company secretarial services in respect of the Manager are provided by an internal team at the Manager.

The Manager has delegated responsibility for the investment management and reinvestment of the assets of the Company to the Investment Manager. The Investment Manager, in

accordance with the investment objectives, policies and restrictions of the Funds makes and implements asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the Funds.

The Manager has delegated the administration of the ICAV's affairs, including responsibility for the preparation and maintenance of the ICAV's records and accounts, transfer agency related matters and fund accounting matters (including calculation of the Net Asset Value per Share) to the Administrator.

The Management Agreement between the ICAV and the Manager provides for the appointment of the Manager, the standard of care to be applied by the Manager and the control and supervision of the Manager. The Management Agreement defines the duties and powers of the Manager together with its responsibilities.

The Management Agreement details activities related to the delegation of activity by the Manager and defines such matters as "proper instruction" and fees and expenses of the Manager.

The Management Agreement shall continue in force until terminated by either the ICAV or the Manager giving not less than ninety (90) days' notice in writing to the other party. Notwithstanding the foregoing, either party may at any time terminate the Management Agreement by notice in writing to the other party if at any time: (i) either party shall go into liquidation or be unable to pay its debts or commit any act of bankruptcy or if a receive is appointed of it some event having an equivalent effect occurs; (ii) the Manager ceases to be permitted to act as manager of the ICAV under any applicable law or regulation; (iii) either party commits any material breach of the Management Agreement and shall not have remedied such breach (if capable of remedy) within thirty (30) days of notice requiring same to be remedied; or (iv) an examiner, administrator or similar person is appointed to either party.

The Manager shall be liable to the ICAV or any Shareholder for loss, costs, demands, expenses or damages that may arise from the Manager's wilful default, fraud, recklessness or negligence. The ICAV shall hold harmless and indemnify the Manager against all actions, proceedings and claims and against all costs, demands, loss and expenses arising therefrom other than due to the wilful default, fraud, recklessness or negligence of the Manager in the performance of its duties under the Management Agreement.

11.3. The Investment Manager

The Investment Manager is Schroder Investment Management Limited. Schroder Investment Management Limited is a company incorporated in England and Wales and is authorised and regulated by the FCA. Its principal activities are fund management and investment advice. Schroder Investment Management Limited had total assets under management of approximately £313.56 billion as at 31 December 2024.

The Investment Management Agreement between the Manager, the ICAV and the Investment Manager provides that the Investment Manager shall be responsible for the investment and reinvestment of the ICAV's assets. The Investment Management Agreement shall continue in force until terminated by any party on not less than ninety (90) days' notice in writing to the other party. Notwithstanding the foregoing, any party may at any time terminate the Investment Management Agreement forthwith by notice in writing to the other parties if at any time: (i) another party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or be unable to pay its debts or commit any act of bankruptcy under applicable law, or if an examiner, administrator or receiver is appointed over any of the assets of the other party or if some event having an equivalent effect occurs; or if (ii) another party ceases to be permitted to perform its duties under any applicable laws or regulations; or if (iii) another party shall commit any material breach of the Investment Management Agreement and shall not have remedied such breach (if capable of remedy) within thirty (30) days of notice requiring the same to be remedied.

The ICAV shall indemnify and hold harmless out of the assets of the relevant Fund the Investment Manager, its directors, officers and authorised agents against any losses, liabilities, actions, proceedings, claims, costs and expenses which the Investment Manager directly incurs or to which the Investment Manager is directly subjected other than as a result of the negligence, fraud, bad faith, will default or recklessness of the Investment Manager in the performance of its obligations and duties under the Investment Management Agreement or breach of the Investment Management Agreement by the Investment Manager.

11.4. The Administrator

The Administrator J.P. Morgan Administration Services (Ireland) Limited is a limited liability company incorporated under the laws of Ireland on 28 May 1990. The Administrator is authorised as an investment business firm for the provision of administration services to collective investment schemes, including the performance of valuation services, fund accounting and transfer agency activities.

The Administration Agreement provides that the Administrator shall administer the ICAV in accordance with the laws of Ireland (including the UCITS Rules), the Instrument of Incorporation and the provisions of this Prospectus. The Administrator will also act as registrar and transfer agent of the ICAV. The Administration Agreement shall continue in force until terminated by either party on 180 days' notice in writing to the other party. Any party may at any time terminate the Administration Agreement by notice in writing to the other parties in the event that: (i) another party commits a material breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within 90 days of written notice requiring it to be remedied or such longer period as the parties may agree; or (ii) the continued performance of the Administration Agreement for any reason ceases to be unlawful; or (iii) another party: (A) admits in writing its inability or is generally unable to pay its debts as they become due; (B) institutes, consents to or is otherwise subject to examinership, receivership or liquidation proceedings; (C) is subject to an involuntary order for the transfer of all of part of its business by a statutory authority; (D) has any of its issued shares suspended from trading on any exchange on which they are listed (if applicable); or (E) is subject of a measure similar to any of the foregoing; or (iv) another party has its authorisation withdrawn by the relevant regulatory authority or the relevant regulatory authority instructs the other party to terminate the Administration Agreement. In the event of the termination of the Depositary Agreement, the Administrator may terminate the Administration Agreement in whole or in part.

The Administrator shall not be liable for any losses, damages or expenses suffered by the ICAV or any Shareholder in connection with the performance by the Administrator of its obligations and duties under the Administration Agreement, except a loss, damage or expense resulting from the material breach, negligence, fraud, wilful misconduct, recklessness or bad faith of the Administrator in the performance of its obligations and duties under the Administration Agreement.

The ICAV has agreed to indemnify and hold the harmless the Administrator from any losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) in connection with or arising out of performance of its obligations and duties under the Administration Agreement provided that the Administrator has not acted in breach of the Administration Agreement or with negligence, bad faith, recklessness or engaged in fraud or wilful misconduct in connection with the liabilities in question. The ICAV has further agreed that it will indemnify and hold harmless the Administrator from any liabilities that may be imposed on, incurred by, or asserted against the Administrator as a result of any action or omission taken in accordance with any instruction from the ICAV, except to the extent that such liabilities are caused by the fraud, negligence or wilful misconduct of the Administrator in the manner in which it carries out the instruction.

The Administrator has agreed to indemnify the ICAV from direct losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) suffered or incurred or awarded against the ICAV as a result of: (i) any regulatory action (including any resulting fines and penalties) brought or levied by a regulatory authority; (ii) any action brought by an investor or a beneficial owner (where an investment in made via a nominee); and (iii) any claim that the Administrator has infringed any intellectual property rights of a third party, solely to the extent that such losses or portion of such losses are incurred as a result of the Administrator's negligence, fraud or wilful default in performing its duties under the Administration Agreement.

11.5. The Depositary

J.P. Morgan SE – Dublin Branch has been appointed as the Depositary to provide depositary, custodial, settlement and certain other associated services to the ICAV. J.P. Morgan SE is a European Company (Societas Europaea) organised under the laws of Germany, with registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and registered with the commercial register of the local court of Frankfurt under number HRB 16861.

It is a credit institution subject to direct prudential supervision by the European Central Bank, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank.

J.P. Morgan SE – Dublin Branch is authorised by the Central Bank to act as Depositary. J.P. Morgan SE – Dublin Branch is registered in the Companies Registration Office and is subject to the supervision of the home State supervisory authorities mentioned above, as well as local supervision by the Central Bank. Its business activities include the provision of custody and banking services, corporate finance and agency treasury management services. The Depositary has in excess of $528 billion of assets under custody as at 31 December 2024. The ultimate parent company of the Depositary is JP Morgan Chase & Co. incorporated in Delaware, U.S.A.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the ICAV and each Fund in accordance with the provisions of the UCITS Rules and the Directive. The Depositary will also provide cash monitoring services in respect of each Fund's cash flows and subscriptions.

The Depositary has the power to delegate certain of its depositary functions. In general, whenever the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the ICAV's assets to sub-custodians. The list of sub-custodians appointed by the Depositary as at the date of this Prospectus can be found via the following link www.schroders.com/en-ie/ie/professional/funds-and-strategies/fund-administration/. The use of particular sub-custodians will depend on the markets in which the ICAV invests.

The Depositary must exercise due skill, care and diligence in the discharge of its duties.

The Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian unless it can prove that loss was not as a result of the Depositary's negligent or intentional failure to perform its obligations and has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to perform its obligations under the Directive and the Depositary Agreement. The liability of the Depositary will not be affected by the fact that it has delegated a third party certain of its safekeeping functions in respect of the ICAV's assets. The Depositary shall exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of delegates and sub-delegates.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the ICAV and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the ICAV. The Depositary maintains a conflict of interest policy to address this.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the ICAV and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the ICAV and/or other funds for which the Depositary (or any of its affiliates) act. Potential conflicts of interest may also arise between the Depositary and its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the ICAV. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV than if the conflict or potential conflict had not existed.

Up-to-date information regarding the identity of the Depositary, a description of the duties of the Depositary, a description of any conflicts of interest that may arise, the Depositary's delegation arrangements in respect of safekeeping functions, a list of delegates and sub-delegates and information on any conflicts that may arise from such delegation will be made available to investors from the Depositary on request.

The Depositary Agreement may be terminated by either the Depositary or the ICAV giving not less than 90 days' written notice to the other party. Either party may terminate the Depositary Agreement immediately by notice in writing to the other party in the event that: (i) a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (ii) the other party fails to remedy a material breach of the Depositary Agreement within 30 days of being required to do so; or (iii) if the Depositary is no longer permitted to act as depositary or trustee by the Central Bank. However, the Depositary shall continue in office until a successor approved in advance by the Central Bank has been appointed or the authorisation of the ICAV has been revoked. If no successor depositary is appointed within 90 days of the service of notice of termination, an extraordinary general meeting shall be convened at which a special resolution to wind up the ICAV shall be considered so that Shares may be redeemed or a liquidator appointed who shall wind up the ICAV and as soon as possible thereafter the ICAV shall apply to the Central Bank to revoke the ICAV's authorisation whereupon the Depositary's appointment shall terminate. In such case, the Depositary's appointment shall not terminate until revocation of the ICAV's authorisation by the Central Bank.

12. Taxation

The following is a general summary of the main Irish tax considerations applicable to the ICAV and certain investors in the ICAV who are the beneficial owners of Shares in the ICAV. It does not purport to deal with all of the tax consequences applicable to the ICAV or to all categories of investors, some of whom may be subject to special rules. The tax consequences of an investment in Shares in the ICAV will depend not only on the nature of the ICAV's operations and the then applicable tax principles, but also on certain factual determinations which cannot be made at this time. Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of Ireland and/or their country of incorporation, establishment, citizenship, residence or domicile, or other liability to tax, and in light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

Taxation of the ICAV

The Directors have been advised that, under current Irish law and practice, the ICAV qualifies as an investment undertaking for the purposes of Section 739B of the TCA so long as the ICAV is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains. No stamp duty or other tax is payable in Ireland on the subscription, issue, holding, redemption or transfer of Shares.

It is the current intention of the Directors that all Shares will be held in a recognised clearing system, and as such transactions in Shares will not be treated as chargeable events. Accordingly, no declarations as to eligibility for exemption from tax on chargeable events will be required to be provided by Shareholders, but the obligation for any tax arising falls to the Shareholder to self-assess depending on their own circumstances.

Chargeable Event

Although the ICAV is not chargeable to Irish tax on its income and gains, Irish tax (at rates ranging from 25% to 60%) can arise on the happening of a "**chargeable event**" in respect of the ICAV. A chargeable event includes any payments or distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the ICAV for a period of eight years or more. Where a chargeable event occurs, the ICAV is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

(a) the Shareholder is neither resident nor ordinarily resident in Ireland ("Non-Irish Resident") and it (or an intermediary acting on its behalf) has provided the necessary declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or

(b) the Shareholder is Non-Irish Resident and has confirmed that to the ICAV and the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or

(c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to "**intermediary**" means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the ICAV at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland ("**Irish Resident**") or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of a bargain made at arm's length, of Shares in the ICAV for other Shares in the ICAV; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking.

If the ICAV becomes liable to account for tax on a chargeable event, the ICAV shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event.

Irish Courts Service

Where Shares are held by the Irish Courts Service the ICAV is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Irish Court is applied to acquire Shares in the ICAV, the Irish Courts Service assumes, in respect of the Shares acquired, the responsibilities of the ICAV to, inter alia, account for tax in respect of chargeable events and file returns.

Exempt Irish Resident Shareholders

The ICAV will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the ICAV has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct (each such Irish Resident referred to herein as an "**Exempt Irish Resident**"):

(a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;

(b) a company carrying on life business within the meaning of Section 706 of the TCA;

(c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;

(d) a special investment scheme within the meaning of Section 737 of the TCA;

(e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;

(f) a qualifying management company within the meaning of Section 739B(1) of the TCA or a specified company within the meaning of Section 734(1) of the TCA;

(g) a unit trust to which Section 731(5)(a) of the TCA applies;

(h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;

(i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;

(j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;

(k) the National Asset Management Agency;

(l) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of Section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;

(m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);

(n) in certain circumstances, a company within the charge to corporation tax in accordance with Section 739G(2) of the ICA in respect of payments made to it by the ICAV;

(o) a person entitled to exemption from income tax and capital gains tax by virtue of Section 787AC of the TCA where the units held are assets of a PEPP as defined in Regulation (EU) No. 2019/1238 of the European Parliament and Council of 20 June 2019; or

(p) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising the tax exemptions associated with the ICAV.

In general, there is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration.

Taxation of Non-Irish Resident Shareholders

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the ICAV and no tax will be deducted on distributions from the ICAV or payments by the ICAV in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the

event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident ICAV holds Shares in the ICAV which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the ICAV under the self-assessment system.

Taxation of Irish Resident Shareholders

Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the ICAV from any distributions made by the ICAV to an Irish Resident Shareholder who is not an Exempt Irish Resident or any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a Shareholder at the rate of 38%.

Any gain will be computed as the difference between the value of the Shareholder's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the ICAV is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the ICAV from any distributions made by the ICAV to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

Deemed Disposals

A deemed disposal of Shares will occur on each and every eighth anniversary of the acquisition of Shares in the ICAV held by Irish Resident Shareholders who are not Exempt Irish Residents. The ICAV may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, is 10% or more of the Net Asset Value of the relevant Fund, the ICAV will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund. However, where the total value of Shares held by such Shareholders is less than 10% of the Net Asset Value of the relevant Fund, the ICAV may, and it is expected that the ICAV will, elect not to account for tax on the deemed disposal. In this instance, the ICAV will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, where the ICAV so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 38% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Irish Resident Shareholders who have suffered a withholding tax should consult their tax advisers to determine their residual Irish tax liability, if any.

Residual Irish Tax Liability

Corporate Shareholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 38% if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the ICAV as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the ICAV. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

Overseas Dividends

Dividends (if any) and interest which the ICAV receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the ICAV will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the ICAV receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment. In the event that the ICAV has to make an additional payment of withholding tax, the Net Asset Value of the relevant Fund will not be restated and the cost of any payment will be allocated to the then existing Shareholders rateably at the time of such payment.

Stamp Duty

On the basis that the ICAV qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the ICAV. However, where any subscription for or redemption of Shares is satisfied by an in-kind or *in specie* transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the ICAV on the conveyance or transfer of stock or marketable securities of a company or other body corporate not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

Residence

In general, Shareholders in the ICAV will be individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

Individual Investors

Test of Residence

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he/she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

Test of Ordinary Residence

If an individual has been resident for the three previous tax years then the individual will be deemed "ordinarily resident" from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

Trust Investors

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

Corporate Investors

A company will be resident in Ireland if (i) its central management and control is in Ireland or (ii) if it is incorporated in Ireland except where the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country. For Ireland to be treated as the location of a company's central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

Disposal of Shares and Irish Capital Acquisitions Tax

(a) Persons Resident or Ordinarily Resident in Ireland

The disposal of Shares by means of a gift or inheritance made by a disponer resident or ordinarily resident in Ireland or received by a beneficiary resident or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

(b) Persons Not Domiciled or Ordinarily Resident in Ireland

On the basis that the ICAV qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax, provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

United Kingdom Tax Considerations

The ICAV

It is the intention of the Directors to conduct the affairs of the ICAV so as to ensure that it will not become resident in the UK. Accordingly, and provided that the ICAV does not carry on a trade in the UK through a branch or agency situated therein, the ICAV will not be subject to UK corporation tax or income tax.

Shareholders

Offshore Funds Legislation

Part 8 of the Taxation (International and Other Provisions) Act 2010 and Statutory Instrument 2009/3001 (the "Offshore Funds regulations") provides that if an investor who is resident or ordinarily resident in the United Kingdom for taxation purposes disposes of a holding in an offshore entity that constitutes an "offshore fund" and that offshore fund does not qualify as a "reporting fund" throughout the period during which the Investor holds that interest, any gain accruing to the Investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as a capital gain. The ICAV is an "offshore fund" for the purpose of those provisions.

All Classes of Shares in the ICAV are managed with a view to them qualifying as "reporting funds" for taxation purposes, and accordingly any capital gain on disposal of Shares in the ICAV should not be reclassified as an income gain under the UK's offshore fund rules. A full list of reporting Share Classes is available from the Management Company on request. A list of reporting funds and their certification dates is published on the HMRC website https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds.

Under the offshore fund rules, Investors in reporting funds are subject to tax on their share of the reporting fund's income for an accounting period, whether or not the income is distributed to them. UK resident holders of Accumulation Share Classes should be aware that they will be required to account for and pay tax on income which has been reported to them in respect of their holdings, on an annual basis through their tax return, even though such income has not been distributed to them.

In accordance with the Offshore Funds legislation, reportable income attributable to each Fund Share will be published within six months of the end of the reporting period on the following Schroders website: http://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/income-tables/ It is the Investor's responsibility to calculate and report their respective total reportable income to HMRC

based on the number of Shares held at the end of the reporting period. In addition to reportable income attributable to each Fund Share the report will include information on amounts distributed per Share and the dates of distributions in respect of the reporting period. Shareholders with particular needs may request their report be provided in paper form, however we reserve the right to make a charge for this service.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 provides that, if at any time in an accounting period a person within the charge of United Kingdom corporation tax holds an interest in an offshore fund within the meaning of the relevant provisions of the tax legislation, and there is a time in that period when that fund fails to meet the "qualifying investments test", the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to meet the "qualifying investments test" at any time where more than 60% of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves meet the "qualifying investments test". The Shares will constitute interests in an offshore fund and on the basis of the investment policies of the ICAV, the ICAV could fail to meet the "qualifying investments test".

Stamp Taxes

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest GBP 5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

Distributions

Distributions paid by Funds that hold more than 60% of their assets in interest-bearing, or economically similar, form at any time in an accounting period are treated as a payment of annual interest for UK resident individual Investors. Where Shares are held within an ISA, this income is free of tax. For Shares held outside an ISA, a Personal Savings Allowance is available to exempt the first £1,000 of interest income from tax in the hands of basic rate taxpayers. The Allowance is £500 for higher rate taxpayers and nil for additional rate taxpayers. Total interest received in excess of the Allowance in a tax year is subject to tax at the rates applying to interest (currently 20%, 40% and 45%).

Distributions paid by Funds that have no more than 60% of their assets in interest-bearing form at all times in an accounting period are treated as foreign dividends.

Where shares are held outside an ISA, a tax-free Dividend allowance of £2,000 is available and total dividends received in a tax year up to that amount will be free of income tax. Dividends totalling in excess of that amount will be subject to tax at rates of 7.5%, 32.5% and 38.1% where they fall within the basic rate, higher rate and additional rate bands respectively. Dividends received on shares held within an ISA will continue to be tax-free.

The Foreign Account Tax Compliance Act (FATCA)

The provisions of FATCA are designed to require certain US Persons' direct and indirect ownership of certain non-US accounts and non-US entities to be reported by foreign financial institutions ("**FFIs**") to foreign tax authorities who will then provide the information to the IRS.

The ICAV may be regarded as an FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest).

FATCA compliance is enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices. The ICAV may require additional information from Shareholders in order to comply with these provisions. The ICAV may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Revenue Commissioners as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Revenue Commissioners, in turn, report such information to the IRS. If a Shareholder causes (directly or indirectly) the ICAV to suffer a withholding for or on account of FATCA ("**FATCA Deduction**") or other financial penalty, cost, expense or liability, the ICAV may compulsorily repurchase any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor's own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the ICAV.

The OECD Common Reporting Standard

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("**CRS**"), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information ("**AEOI**") which was approved by the Council of the OECD in July 2014. A further update to the standard was adopted by the OECD in June 2023 and will be effective in Ireland from 1 January 2026. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. To comply with its obligations under the CRS (or similar information sharing arrangements), the ICAV may require additional information and documentation from Shareholders. The ICAV may disclose the information, certifications or other documentation that they receive from or in relation to Shareholders to the Revenue Commissioners who may in turn exchange this information with tax authorities in other territories.

By subscribing for Shares in the ICAV, each Shareholder is agreeing to provide such information upon request from the ICAV or its delegate. Shareholders refusing to provide the

requisite information to the ICAV may be reported to the Irish tax authorities or other parties as necessary to comply with the CRS.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult their own tax adviser on the requirements applicable to their own situation under these arrangements.

Investment Undertaking Reporting

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address, date of birth (if on record) and the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number or, in the absence of a tax reference number, a marker indicating that this was not provided) and the investment number associated with and the value of the Shares held by the Shareholder. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a recognised clearing system.

13. General

13.1. Remuneration Policy

The Manager has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or the ICAV, that:

- are consistent with and promote sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profiles and rules of the ICAV or with its Instrument of Incorporation;
- are in line with the business strategy, objective, values and interests of the Manager, the ICAV and its Shareholders and includes measures to avoid conflicts of interest;
- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Funds in order to ensure that the assessment process is based on the longer-term performance of the Funds and its investment risks; and
- appropriately balance fixed and variable components of total remuneration.

The Schroders group has an established remuneration committee (the "**Remuneration Committee**") consisting of independent non-executive directors of Schroders plc. Their responsibilities include recommending to the board of Schroders plc the Schroders group policy on directors' remuneration, overseeing the remuneration governance framework and ensuring that remuneration arrangements are consistent with effective risk management. The role and activities of the Remuneration Committee and their use of advisors are further detailed in the Remuneration Report and the Remuneration Committee's Terms of Reference (both available on the Schroders group website).

The Manager delegates responsibility for determining the remuneration policies to the Remuneration Committee of Schroders plc. The Manager defines the objectives of each UCITS fund it manages and monitors adherence to those objectives and conflict management. The Remuneration Committee receives reports from the Manager regarding each fund's objectives, risk limits and conflicts register and the performance against those measures. The Remuneration Committee receives reports on risk, legal and compliance matters from the heads of those areas in its consideration of compensation proposals, which provides an opportunity for any material concerns to be escalated.

A summary of the up-to-date remuneration policies of the Manager, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the Remuneration Committee, are available at www.schroders.com/remuneration-disclosures. A paper copy is available free of charge upon request at the registered office of the Manager.

13.2. Conflicts of Interest

The Directors, the Manager, Investment Manager, the Depositary and the Administrator may from time to time act as directors, manager, investment manager, investment adviser, depositary, administrator, ICAV secretary, dealer or distributor in relation to, or be otherwise involved in, other funds and accounts established by parties other than the ICAV which have similar investment objectives to those of the ICAV and any Fund. Such other funds and accounts may pay higher or lower fees than a Fund or performance-based fees for such services. The Investment Manager and affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the ICAV and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the ICAV and other clients. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the ICAV and a Fund. Each will, at all times, have regard in such event to its obligations to the ICAV and the Funds and will ensure that such conflicts are resolved fairly.

In addition, any of the Directors, the Manager, the Investment Manager or the Depositary, the delegates or sub-delegates of the Depositary (excluding any non-group company sub-depositaries appointed by the Depositary) and any associated or group company of the Depositary or a delegate or sub-delegate of the Depositary (excluding any non-group company sub-depositaries appointed by the Depositary) may deal, as principal or agent, with the ICAV in respect of the assets of a Fund, provided that such dealings are conducted at arm's length. Transactions must be in the best interests of Shareholders.

Dealings will be deemed to have been conducted at arm's length if: (a) the value of the transaction is certified by either (i) a person who has been approved by the Depositary as being independent and competent or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary; (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary or, in the case of a transaction involving the Depositary, the Directors, are satisfied are negotiated at arm's length and are in the best interests of Shareholders. The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it complied with the requirements of paragraphs (a), (b) or (c) above. Where transactions are conducted in accordance with paragraph (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the principles outlined here.

Conflicts of interest may arise as a result of transactions in Financial Derivative Instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Depositary. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

The Manager, the Investment Manager and their affiliates may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the ICAV. Neither the Manager, the Investment Manager nor any of their affiliates are under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of or share with the ICAV or inform the ICAV of any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the ICAV and other clients.

The Investment Manager may assist the Administrator with valuing certain securities held by a Fund. The Investment Manager is paid a fee which is a percentage of the Net Asset Value of each Fund. Consequently, a conflict of interest could arise between its interest and those of a Fund. In the event of such a conflict of interests, the Investment Manager shall have regard to its obligations to the ICAV and the Funds and will ensure that such a conflict is resolved fairly and on a basis consistent with the best interests of the Shareholders.

The ICAV and the Manager have policies designed to ensure that in all transactions a reasonable effort is made to avoid conflicts of interest and when they cannot be avoided that the Funds and their Shareholders are fairly treated.

The Manager has policies designed to ensure that its service providers act in the Funds' best interests when executing decisions to deal on behalf of those Funds in the context of managing the Funds' portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Funds, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature or any other consideration relevant to the execution of the order. Any research services provided by a broker to the Investment Manager will be paid for by the Investment Manager. Information about the Manager's execution policies are available to Shareholders at no charge upon request.

13.3. The Share Capital

The share capital of the ICAV shall at all times equal the Net Asset Value of the ICAV. The Directors are empowered to issue up to the currency equivalent of €500 billion divided into an unspecified number of Shares of no par value in the ICAV at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the ICAV. On incorporation, the ICAV issued Subscriber Shares to the value of EUR 2. The Subscriber Shares do not participate in the assets of any Fund.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of a Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the ICAV to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to redesignate any class of Shares from time to time, provided that Shareholders in that class shall first have been notified by the ICAV that the Shares will be redesignated and shall have been given the opportunity to have their Shares redeemed by the ICAV, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional class of Shares.

Each of the Shares entitles the holder to attend and vote at meetings of the ICAV and of the Fund represented by those Shares. No class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares requires the approval in writing of all of the holders of the Shares or the approval of three quarters of the holders of the Shares, by value, represented or present and voting at a general meeting duly convened in accordance with the Instrument of Incorporation.

The Instrument of Incorporation empowers the Directors to issue fractional Shares in the ICAV. Fractional shares may be issued and shall not carry any voting rights at general meetings of the ICAV or of any Fund or class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the ICAV but do not entitle the holders to participate in the dividends or net assets of any Fund or of the ICAV.

13.4. The Funds and Segregation of Liability

The assets and liabilities of each Fund will be allocated in the following manner:

(a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the ICAV to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Instrument of Incorporation;

(b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the ICAV to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;

(c) where the ICAV incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and

(d) where an asset or a liability of the ICAV cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and, neither the ICAV nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the ICAV the following terms, that:

(i) the party or parties contracting with the ICAV shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;

(ii) if any party contracting with the ICAV shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the ICAV to pay a sum equal to the value of the benefit thereby obtained by it; and

(iii) if any party contracting with the ICAV shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the ICAV and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the ICAV shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the ICAV shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the relevant Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the ICAV but the ICAV may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

13.5. Termination

All of the Shares in the ICAV or all of the Shares in a Fund may be redeemed by the ICAV in the following circumstances:

(i) a majority of votes cast at a general meeting of the ICAV or the relevant Fund, as appropriate, approves the redemption of the Shares;

(ii) if so determined by the Directors, provided that not less than 21 days' written notice has been given to the holders of the Shares of the ICAV or the Fund, as appropriate, that all of the Shares of the ICAV or the relevant Fund, as the case may be, shall be redeemed by the ICAV;

(iii) if no replacement depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the ICAV of its desire to retire as depositary or shall have ceased to be approved by the ICAV, the Central Bank; or

(iv) if after the first anniversary of the first issue of Shares the Net Asset Value of the ICAV, a Fund or a class is lower than £50,000,000, £50,000,000 and £1,000,000 respectively for a period of 30 consecutive days.

Where a redemption of Shares would result in the number of Shareholders falling below 2 or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the ICAV falling below such minimum amount as the ICAV may be obliged to maintain pursuant to applicable law, the Manager may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the ICAV is wound up or until the ICAV procures the issue of sufficient Shares to ensure that the redemption can be effected. The ICAV shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the Shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund. The balance of any assets of the ICAV then remaining that are not attributable to any particular Fund shall be apportioned among the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of Shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the ICAV may make

distributions *in specie* to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder, the ICAV shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the ICAV, the Manager, the Administrator or the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed *in specie*. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund.

Where a Fund or a particular Class is to be totally redeemed and terminated in accordance with the above provisions, the Directors shall take the following steps taking into account any minimum notice periods prescribed by a Relevant Stock Exchange, the Central Bank or any relevant competent authority:

(a) A notification shall be sent to each Shareholder of the relevant Fund or Class specifying the proposed timetable for the closure including (i) the final date on which the Shares can be bought or sold on all Relevant Stock Exchanges, (ii) the final Dealing Day for subscriptions and redemptions of Shares directly with the ICAV after which all such primary market dealing will be permanently suspended (the "**Final Dealing Day**"), (iii) the date by reference to which all Shares of the Fund or Class which remain in issue shall be compulsorily redeemed (the "**Compulsory Redemption Date**") and (iv) an indicative date on which the Directors propose to distribute the liquidated proceeds from the compulsory redemption of the Shares to the relevant Shareholders (the "**Indicative Settlement Date**");

(b) Notice of the de-listing of the Shares, the permanent suspension of dealing and the termination of the Fund or Class shall be communicated to the Central Bank and all Relevant Stock Exchanges and, to the extent required by the law or practices of the country concerned, to any other competent authority in a Member State or other country in which the relevant Shares are registered for marketing. Such notice shall also be published in such publication(s) as the Directors may determine and, in any event, shall be communicated through the media by which Share prices are published;

(c) The Shares of the relevant Fund or Class shall subsequently be de-listed from all Relevant Stock Exchanges in accordance with the timetable notified to Shareholders;

(d) Dealing in the relevant Fund or Class shall be permanently suspended with effect from the Business Day following the Final Dealing Day;

(e) All Shares of the relevant Fund or Class which remain in issue following the Final Dealing Day shall be compulsorily redeemed on the Compulsory Redemption Date;

(f) Following the Compulsory Redemption Date, the Investment Manager and the Administrator shall take the necessary steps to liquidate the investments attributable to the relevant Fund or Class for the purposes of determining the final Net Asset Value per Share of the relevant Fund or Class;

(g) Once the final Net Asset Value per Share of the relevant Fund or Class has been determined by the Administrator, the proceeds of the compulsory redemption of Shares shall be distributed by the Administrator to the Shareholders on or around the Indicative Settlement Date.

The Directors can give no assurance that the distribution of the proceeds from the compulsory redemption of the Shares will take place on the Indicative Settlement Date. The Indicative Settlement Date will be notified to Shareholders for indicative purposes only, as the liquidation of the investments attributable to the Fund or Class following the Compulsory Redemption Date can be affected by various factors including delays in the settlement of transactions and repatriation of the Fund's cash.

Secondary market investors:

No distribution proceeds resulting from the compulsory redemption of the Shares shall be payable by the ICAV directly to any person other than those persons listed as Shareholders in the register as at the Compulsory Redemption Date. Please note that investors who hold Shares will not appear on the ICAV's register. Such investors should deal directly with the relevant broker, market maker/ Authorised Participant, nominee, Clearing Agent, Euroclear or Clearstream (as relevant) in respect of their investment.

Authorised Participants only:

An Authorised Participant who submits a valid application for redemption of Shares (the "**Relevant Shares**") on or before the Final Dealing Date shall not be subject to the compulsory redemption process in respect of the Relevant Shares. However, in the event that any such application for redemption has not settled in advance of the Compulsory Redemption Date (as a result of the relevant Authorised Participant having failed to deliver the Relevant Shares by such date), the relevant redemption application shall be cancelled. In such circumstances, the number of Shares that were the subject of the cancelled redemption application will be compulsorily redeemed along with all of the other outstanding Shares in the ICAV on the Compulsory Redemption Date. The relevant Authorised Participant whose application was cancelled will be required to reimburse the ICAV to the extent that the redemption price per Share determined in respect of the compulsory redemption exceeds the redemption price per Share that would have been payable to the relevant Authorised Participant in respect of the cancelled redemption application had it not been cancelled, such amount representing the loss to the Fund or Class incurred in connection with the cancellation of the redemption application.

Unless the Manager otherwise determines, the ICAV will be responsible for all legal, procedural, stock exchange related and service provider costs incurred in respect of the de-listing, redemption process and termination of a Fund or Class.

13.6. Meetings

All general meetings of the ICAV or a Fund shall be held in Ireland.

Notice of Election to Dispense with Annual General Meetings

The Directors have elected, pursuant to section 89(4) of the ICAV Act, to dispense with the holding of annual general meetings of the ICAV. This election is effective for 2025 and subsequent years. However, pursuant to section 89(6) of the ICAV Act: (i) one or more Shareholders of the ICAV holding, or together holding, not less than 10% of the voting rights in the ICAV; or (ii) the auditor of the ICAV, may require the ICAV to

hold an annual general meeting in any year by giving notice in writing to the ICAV in the previous year or at least one month before the end of that year.

Only persons entered in the ICAV's register of Shareholders (i.e. registered holders of Shares and Subscriber Shares) are entitled to vote at meetings of the ICAV.

Notices of Meetings and the Exercise of Voting Rights through the International Central Securities Depositary

Notices of general meetings and associated documentation will be issued by the ICAV to the registered holder of the Shares i.e. the Common Depositary's Nominee. Each Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing onward delivery of such notices to the Participants and the Participant's right to exercise voting rights. Investors who are not Participants in the relevant ICSD would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant ICSD to receive any notices of Shareholder meetings of the ICAV and to relay their voting instructions to the relevant ICSD.

The Administrator shall promptly notify the Paying Agent of Shareholder meetings of the ICAV and to relay any associated documentation issued by the ICAV to the Paying Agent, which, in turn, will relay any such notices and documentation to the ICSD. Each ICSD will, in turn, relay notices received from the Paying Agent to its Participants in accordance with its rules and procedures. In accordance with their respective rules and procedures, each ICSD is contractually bound to collate and transfer all votes received from its Participants to the Paying Agent and the Paying Agent is, in turn, contractually bound to collate and transfer all votes received from each ICSD to the Common Depositary's Nominee, which is obligated to vote in accordance with the Paying Agent's voting instructions.

Procedures at General Meetings

The holders of the Subscriber Shares shall, on a poll be entitled to one vote per Subscriber Share, shall not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares, and shall, in the event of a winding up or dissolution of the ICAV, be entitled (after payment to the holders of the Shares of a sum equal to the Net Asset Value of the Shares as at the date of commencement to wind up) to payment in respect of the nominal amount paid up thereon out of the assets of the ICAV.

The Shareholders shall on a poll be entitled to one vote per Share, shall be entitled to such dividends as the Directors may from time to time declare and, in the event of a winding up or dissolution of the ICAV, be entitled, in priority to the holders of the Subscriber Shares, firstly to an amount equal to the Net Asset Value of the Class held at the date of winding up and, after payment to the holders of the Subscriber Shares of the nominal amount paid up thereon, to participate in surplus assets of the ICAV (if any).

Subject to the provisions of the Instrument of Incorporation and any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy shall have one vote. To be passed, resolutions of the ICAV in general meeting will require a simple majority of the votes cast by the Shareholders at the meeting at which the resolution is proposed. A majority of not less than 75% of the Shareholders present and (being entitled to vote) voting in general meetings is required in order to (i) amend the Instrument of Incorporation and (ii) wind up the ICAV.

The rights attached to any Class may be varied or abrogated with the consent in writing of Shareholders holding 75% of the issued and outstanding Shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the Class in accordance with the Instrument of Incorporation.

The quorum for any general meeting convened to consider any alteration to the Class rights of the Shares shall be such number of Shareholders being one or more persons whose holdings comprise one-third of the Shares. The quorum for meetings other than a meeting to consider changes in Class rights shall be one person present in person or by proxy. Fourteen days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the ICAV. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Instrument of Incorporation provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. On a show of hands, a Shareholder present at a meeting is entitled to one vote. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the ICAV which are submitted to Shareholders for a vote by poll.

Reports

In each year the Directors shall arrange to be prepared an annual report and audited annual accounts for the ICAV. These will be published and forwarded to Shareholders within 4 months of the end of the financial year and at least 21 days before the annual general meeting. In addition, the ICAV shall publish and send to Shareholders within 2 months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the ICAV.

Annual accounts shall be made up to 31 March in each year and the first set of annual accounts will be made up to 31 March 2026. Unaudited half-yearly accounts shall be made up to 30 September in each year and the first set of unaudited half-yearly accounts will be made up to 30 September 2026.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be sent to each Shareholder, or will be sent on request to any potential investors, and will be made available for inspection at the registered office of the ICAV.

13.7. Shareholder Complaints

Shareholders may file any complaints about the ICAV or a Fund free of charge at the registered office of the Manager. Information regarding the Manager's complaints procedures are available to Shareholders free of charge upon request.

13.8. Minimum Viable Size

Each Fund must achieve a Net Asset Value of at least £ 10,000,000 or such other amount as may be determined by the Directors and notified to Shareholders in the Fund from time to time (the "**Minimum Viable Size**") by the end of the Initial Offer Period. In the event that a Fund does not reach

the Minimum Viable Size within such period, the ICAV shall redeem any Shares in issue in the Fund and return the redemption proceeds to Shareholders.

13.9. Miscellaneous

(i) The ICAV is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the ICAV.

(ii) There are no service contracts in existence between the ICAV and any of its Directors, nor are any such contracts proposed.

(iii) Joanne Joyce is an employee of Schroders Greencoat (Ireland) Limited and Tom Stapleton is an employee of the Investment Manager.

(iv) Neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the ICAV or any options in respect of such capital.

(v) No share or loan capital of the ICAV is under option or is agreed conditionally or unconditionally to be put under option.

(vi) Save as disclosed herein in the section entitled "Fees and Expenses" above, no commissions, discounts, brokerage or other special terms have been granted by the ICAV in relation to Shares issued by the ICAV.

(vii) The ICAV does not have, nor has it had since its incorporation, any employees or subsidiary companies.

13.10. Material Contracts

The following contracts, details of which are set out in the section entitled "Management and Administration", have been entered into and are material:

(a) the Management Agreement;

(b) the Investment Management Agreement;

(c) the Depositary Agreement; and

(d) the Administration Agreement.

13.11. Supply and Inspection of Documents

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) at the registered office of the ICAV:

(a) the Instrument of Incorporation;

(b) the material contracts referred to above;

(c) the KIDs/KIIDs, as appropriate;

(d) the ICAV Act and any guidance issued by the Central Bank thereunder; and

(e) the UCITS Rules.

Copies of the Instrument of Incorporation and the latest financial reports of the ICAV, as appropriate, may be obtained, free of charge, upon request at the registered office of the ICAV.

13.12. Payment of Rebates

The Manager may, on a discretionary basis, grant rebates directly to investors on request depending on commercial interests, such as in order to increase a Fund's assets, to encourage early investment into one or more Funds, or to increase distribution channels via intermediaries or distribution arrangements. Rebates are used to reduce the fees or expenses of the investors concerned. Rebates are permitted provided that they are paid out of the remuneration received by the Manager and therefore do not represent an additional charge for the ICAV and are granted on the basis of objective criteria.

Schedule 1

The Regulated Markets

The exchanges/markets are set out below in accordance with the regulatory criteria as defined in the Central Bank Regulations. The Central Bank does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities, investment in securities will be limited to the following stock exchanges and regulated markets:

(i) any stock exchange or market in any EU Member State or in any of the following member countries of the OECD: Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States of America

(ii) any of the following exchanges or markets:

Argentina	Buenos Aires Stock Exchange, Mercado Abierto Electronico, Mercado a Termino de Buenos Aires S.A. (MATba)
Bahrain	Manama Stock Exchange
Bangladesh	Dhaka Stock Exchange, Chittagong Stock Exchange
Bermuda	Bermuda Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Bolsa de Valores, Mercadorias & Futuros de São Paulo
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange, Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia (BVC)
Croatia	Zagreb Stock Exchange
Egypt	Egyptian Stock Exchange
Ghana	Ghana Stock Exchange
Hong Kong	Stock Exchange of Hong Kong
India	The National Stock Exchange of India Limited, The Bombay Stock Exchange, Calcutta Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan	Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	The Bursa Malaysia Berhad
Mauritius	Stock Exchange of Mauritius
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Oman Stock Exchange
Pakistan	Karachi Stock Exchange (Guarantee) Ltd
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange Inc.
Qatar	Doha Securities Market
Saudi Arabia	Saudi Stock Exchange (Tadawul)
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
South Africa	Johannesburg Stock Exchange

South Korea	Korea Stock Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange Corporation, Taipei Exchange
Thailand	Stock Exchange of Thailand, Bangkok
Tunisia	Bourse de Valeurs Mobiliers de Tunis
Turkey	Istanbul Stock Exchange
United Arab Emirates	Abu Dhabi Stock Exchange, Dubai Financial Market, Dubai International Financial Exchange
Vietnam	Ho Chi Minh Securities Trading Center, Hanoi Securities Trading Center
Zimbabwe	Zimbabwe Stock Exchange

(iii) the following markets:

- the market organised by the International Capital Markets Association;
- the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FSA and the Bank of England (formerly known as "The Grey Paper");
- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, and (c) Market of the High-Growth and Emerging Stocks ("**MOTHERS**")
- the alternative investment markets in the UK regulated and operated by the London Stock Exchange;
- the Hong Kong Growth Enterprise Market ("**GEM**");
- the Korean Securities Dealers Automated Quotation ("**KOSDAQ**")
- the French Market for Titres de Créances Négotiables (over the counter market in negotiable debt instruments)
- the over the counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada
- EASDAQ (European Association of Securities Dealers Automated Quotation)

Financial Derivative Instruments

ASX Trade24, NYSE Euronext Brussels, BM&FBOVESPA, Montreal Exchange, Bolsa De Valores, NYSE Euronext, Paris, Eurex (Germany), Borsa Italiana (Italian Derivatives Market), Mercado Mexicano de Derivados, NYSE Euronext, Amsterdam, Warsaw Stock Exchange, Johannesburg Stock Exchange, MEFF Renta Variable (Madrid), Nasdaq OMX, Stockholm, NASDAQ OMX Nordic, Eurex (Switzerland), Turkish Derivatives Exchange, ICE Futures Exchange, NASDAQ, the Chicago Mercantile Exchange American Stock Exchange, Chicago Board of Trade, Chicago Board of Options Exchange, Coffee, Sugar and Cocoa Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, New York Futures Exchange, New York Board of Trade, New York Mercantile Exchange, COMEX, CBOE Futures Exchange, ICE Futures US Inc, NASDAQ OMX Futures Exchange, Eris Exchange, Hong Kong Futures Exchange, Singapore Commodity Exchange, Singapore Exchange, Tokyo International Futures Exchange, Osaka Stock Exchange, Tokyo Stock Exchange, Tokyo Financial Exchange, Korea Exchange, Taiwan Futures Exchange, New Zealand Futures and Options Exchange and any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in a Member State, or a member state of the EEA or the UK.

Schedule 2

Investment Restrictions applicable to the Funds

1	**Permitted Investments**
	Investments of a Fund are confined to:
1.1	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments other than those dealt on a Regulated Market.
1.4	Units of UCITS.
1.5	Units of alternative investment funds ("AIFs").
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
2	**Investment Restrictions**
2.1	A Fund may invest no more than 10% of Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	Recently Issued Transferable Securities (1) Subject to paragraph (2), a Fund shall not invest any more than 10% of its assets in securities of the type to which Regulation 68 (1)(d) of the UCITS Regulations apply. (2) Paragraph (1) does not apply to an investment by a Fund in US securities known as Rule 144A securities, provided that: (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within one year of issue; and (b) the securities are not illiquid securities i.e., they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
2.3	A Fund may invest no more than 10% of Net Asset Value in transferable securities or money market instruments issued by the same body, provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%
2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund. A Fund will not avail of this without the prior approval of the Central Bank.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	Cash booked in accounts and held as ancillary liquidity shall not exceed: (a) 10% of the Net Asset Value of the Fund; or (b) where the cash is booked in an account with the Depositary, 20% of the Net Asset Value of the Fund.
2.8	The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of Net Asset Value. This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20 % of Net Asset Value: (i) investments in transferable securities or money market instruments; (ii) deposits; and/or (iii) counterparty risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35 % of Net Asset Value.

2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
2.12	A Fund may invest up to 100% of Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC. The Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of Net Asset Value.
3	**Investment in Collective Investment Schemes ("CIS")**
3.1	A Fund may not invest more than 20% of Net Asset Value in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of Net Asset Value.
3.3	The CIS are prohibited from investing more than 10% of Net Asset Value in other open-ended CIS.
3.4	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, the ICAV, an investment manager or an investment advisor receives a commission on behalf of a Fund (including a rebated commission), the ICAV shall ensure that the relevant commission is paid into the property of the Fund.
4	**Index Tracking UCITS**
4.1	A Fund may invest up to 20% of Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank.
4.2	The limit in 4.1 may be raised to 35% and applied to a single issuer, where this is justified by exceptional market conditions.
5	**General Provisions**
5.1	An investment company, Irish collective asset-management vehicle ("ICAV") or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	A Fund may acquire no more than: (i) 10% of the non-voting shares of any single issuing body; (ii) 10% of the debt securities of any single issuing body; (iii) 25% of the units of any single CIS; (iv) 10% of the money market instruments of any single issuing body. NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
5.3	5.1 and 5.2 shall not be applicable to: (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; and (v) shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

5.4	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: (i) transferable securities; (ii) money market instruments; (iii) units of investment funds; or (iv) financial derivative instruments.
5.8	A Fund may hold ancillary liquid assets.
6	**Financial Derivative Instruments ("FDIs")**
6.1	A Fund's global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations/guidance. (This provision does not apply in the case of index-based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Regulations.)
6.3	A Fund may invest in FDIs dealt in over-the-counter (OTC), provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

Schedule 3

Investment Techniques and Instruments

A Fund may use derivative instruments traded on a Regulated Market, whether such instruments are used for investment purposes or the purposes of the efficient portfolio management of the Fund. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

Financial Derivative Instruments

Permitted financial derivative instruments ("FDI")

1. The ICAV shall only invest assets of a Fund in an FDI if:

   1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;

   1.2 the FDI does not expose the Fund to risks which the Fund could not otherwise assume;

   1.3 the FDI does not cause the Fund to diverge from its investment objectives;

   1.4 the FDI is dealt in on a Regulated Market or alternatively the conditions in paragraph 6 are satisfied.

2. The reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria:

   2.1 they are sufficiently diversified, in that the following criteria are fulfilled:

   (a) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

   (b) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;

   (c) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;

   2.2 they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:

   (a) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;

   (b) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;

   (c) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;

   2.3 they are published in an appropriate manner, in that the following criteria are fulfilled:

   (a) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;

   (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

   Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in 2.1, 2.2 or 2.3 above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices.

3. A transferable security or money market instrument embedding an FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:

   3.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;

   3.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;

3.3 it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.

4. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument

OTC FDI

5. The Manager shall only invest assets of a Fund in an OTC FDI if the FDI counterparty is within at least one of the following categories:

5.1 a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations;

5.2 an investment firm authorised in accordance with MiFID; or

5.3 a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.

6. Where a counterparty within paragraphs 5.2 or 5.3:

6.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and

6.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in paragraph 6.1 this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.

7. Where an OTC FDI referred to in paragraph 5 is subject to a novation, the counterparty after the novation must be:

7.1 an entity that is within any of the categories set out in paragraph 5; or

7.2 a central counterparty that is:

(a) authorised or recognised under EMIR; or

(b) pending recognition by ESMA under Article 25 of EMIR, an entity classified:

by the SEC as a clearing agency; or

by the Commodity Futures Trading Commission as a derivatives clearing organisation.

8. 8.1 Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations, assessed in accordance with paragraph 8.2.

8.2 In assessing risk exposure to the counterparty to an OTC FDI for the purpose of Regulation 70(1)(c) of the UCITS Regulations:

(a) the Manager shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC FDI with that counterparty;

(b) the Manager may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC FDI with the same counterparty and not in relation to any other exposures the Fund has with the same counterparty;

(c) the Manager may take account of collateral received by the FDI in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations.

9. OTC FDI must be subject to reliable and verifiable valuation on a daily basis and sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Issuer concentration limits

10. For the purpose of Regulation 70 of the UCITS Regulations and the calculation of issuer concentration limits of a Fund, the Manager shall:

10.1 include any net exposure to a counterparty generated through a securities lending or repurchase agreement, where net exposure means the amount receivable by the Fund less any collateral provided by the Fund;

10.2 include exposures created through the reinvestment of collateral; and

10.3 establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.

11. The position exposure of the Fund, if any, to the underlying assets of an FDI, including an FDI that is embedded in transferable securities, money market instruments or investment funds, when combined with positions resulting from direct investments:

    11.1 shall be calculated in accordance with paragraph 12; and

    11.2 shall not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations.

12. For the purposes of paragraph 11:

    12.1 when calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure and this position exposure shall be taken into account in the issuer concentration calculations;

    12.2 the Manager shall calculate the position exposure of the Fund using the commitment approach or the VaR approach as a result of default by the issuer approach, whichever is greater; and

    12.3 the Manager shall calculate the position exposure, regardless of whether the Fund uses VaR for global exposure purposes.

13. Paragraph 11 does not apply in the case of an index-based FDI provided the underlying index meets the criteria set out in Regulation 71(1) of the UCITS Regulations.

14. Collateral received must at all times meet with the requirements set out in paragraphs 29 to 37 below.

15. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

16. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

Cover requirements

17. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the Manager shall calculate exposure of the Fund within the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

18. The Manager shall ensure that, at all times:

    18.1 the Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI;

    18.2 the risk management process of the Manager includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately; and

    18.3 a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the conditions specified in paragraph 19.

19. The conditions to which paragraph 18.3 refers are:

    19.1 in the case of an FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure;

    19.2 in the case of an FDI that requires physical delivery of the underlying asset, either:

        (a) the asset must at all times be held by a Fund; or

        (b) where either or both of the conditions in paragraphs 20.1 and 20.2 applies, the Fund must cover the exposure with sufficient liquid assets.

20. The conditions to which paragraph 19.2(b) refers are:

    20.1 the underlying asset consists, or the underlying assets consist, of highly liquid fixed income securities;

    20.2 (a) the exposure can be covered without the need to hold the underlying assets;

        (b) the specific FDI is addressed in the risk management process; and

        (c) details of the exposure are provided in the prospectus.

    In this regard, please note that in the case of the instruments referred to in the section entitled “Investment Techniques and Instruments”, the Manager considers that from time to time the exposure may be covered with sufficient liquid assets.

Risk management process and reporting

21. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity pursuant to Chapter 3 of Part 2 of the Central Bank Regulations. The initial filing is required to include information in relation to:

    21.1 permitted types of FDI, including embedded FDI in transferable securities and money market instruments;

    21.2 details of the underlying risks;

    21.3 relevant quantitative limits and how these will be monitored and enforced; and

    21.4 methods for estimating risks.

22. 22.1 The Manager shall in writing notify the Central Bank of material amendments to the initial filing of the risk management process of a Fund, in advance of the amendment being made.

    22.2 The Central Bank may object to the making of any proposed amendment that is notified to it under paragraph 22.1.

    22.3 (a) No proposed amendment to which the Bank has objected under paragraph 22.2 shall be made to the risk management process of a Fund.

    (b) Where the Central Bank has objected under paragraph 22.2 to the making of a proposed amendment to the risk management process of a Fund.

    The relevant Fund shall not engage in any activity that is associated with or which would derive from the proposed amendment to which the objection has been made.

23. The Manager must submit a report to the Central Bank on the Funds' FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the ICAV. The Manager must, at the request of the Central Bank, provide this report at any time.

Calculation of global exposure

24. The Manager shall ensure that in the case of each Fund, at all times:

    24.1 the Fund complies with the limits on global exposure;

    24.2 the Fund establishes and implements appropriate internal risk management measures and limits, irrespective of whether the Fund uses a commitment approach or the VaR approach or any other methodology to calculate global exposure. For the purpose of subparagraph (1), paragraph 12 of Schedule 9 of the UCITS Regulations, a UCITS shall only select a methodology where ESMA has published guidelines on the selected methodology; and

    24.3 it calculates the global exposure in accordance with Schedule 2 to the Central Bank Regulations.

Efficient Portfolio Management

Portfolio Management Techniques

25. The ICAV shall only use efficient portfolio management techniques and instruments for the purposes of Article 51(2) of Directive 2009/65/EC and Article 11 of Directive 2007/16/EC where same are in the best interests of the relevant Fund.

26. The Manager shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the relevant Fund.

27. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

    27.1 they are economically appropriate in that they are realised in a cost-effective way;

    27.2 they are entered into for one or more of the following specific aims:

    (a) reduction of risk;

    (b) reduction of cost;

    (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulations 70 and 71 of the UCITS Regulations; and

    27.3 their risks are adequately captured by the risk management process of the Fund.

28. Repurchase agreements, reverse repurchase agreements and securities lending may only be effected in accordance with normal market practice and only for the purpose of efficient portfolio management.

Collateral

29. The Manager shall ensure, in engaging in efficient portfolio management techniques and instruments, that:

    29.1 every asset that is received by a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral;

    29.2 such techniques comply with the criteria set down in paragraph 23(2) of the Central Bank Regulations; and

    29.3 at all times, collateral that is received by a Fund meets the criteria specified in paragraph 30.

30. The conditions for the receipt of collateral by a Fund, to which paragraph 29 refers, are:

    30.1 Liquidity: Collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.

    30.2 Valuation: Collateral that is received should be valued on a marked to market basis on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Any such collateral will, to the extent required by the UCITS Regulations, be held by the Depositary in accordance with the Depositary Agreement.

    30.3 Issuer credit quality: Collateral received should be of high quality. The Manager shall ensure that:

    (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and

    (b) where an issuer is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the issuer by the Manager without delay.

    30.4 Correlation: Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Manager to expect that it would not display a high correlation with the performance of the counterparty.

    30.5 Diversification (asset concentration):

    (a) Subject to sub-paragraph (b) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value of the Fund. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

    (b) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20% of its Net Asset Value shall be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), the Government of Brazil, the Government of India and the Government of the People's Republic of China (provided the relevant issues are investment grade), the Government of Singapore, the EU, the Council of Europe, Eurofima, the European Investment Bank, Euratom, the Inter-American Development Bank, the Asian Development Bank, the International Bank for Reconstruction and Development (The World Bank), the African Development Bank, the European Central Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the International Finance Corporation, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank, the Tennessee Valley Authority, Straight A Funding LLC and issues backed by the full faith and credit of the US government.

    30.6 Immediately available: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

31. The Manager shall ensure that the risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.

32. Where a Fund receives collateral on a title transfer basis, the Manager shall ensure that the collateral is to be held by the Depositary. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary, provided that that depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.

33. The Manager shall not sell, pledge or re-invest the non-cash collateral received by a Fund.

34. Where the Manager invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:

    34.1 a deposit with a credit institution referred to in Regulation 7 of the Central Bank Regulations;

    34.2 a high-quality government bond;

    34.3 a reverse repurchase agreement provided the transaction is with a credit institution referred to in Regulation 7 of the Central Bank Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis; or

    34.4 short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (Ref: CESR/10-049).

35. Where the Manager invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

36. The Manager shall ensure that, where a Fund receives collateral for at least 30% of its assets, there is in place an appropriate stress testing policy and stress tests are carried out regularly under normal and exceptional liquidity conditions to enable the Manager to assess the liquidity risk attached to the collateral. The stress testing policy should at least prescribe the following components:

    36.1 the design of stress test scenario analysis including calibration, certification and sensitivity analysis;

    36.2 the empirical approach to impact assessment, including back-testing of liquidity risk estimates;

    36.3 the reporting frequency and the threshold(s) for limits and losses; and

    36.4 the mitigation actions to reduce loss including haircut policy and gap risk protection.

37. The Manager shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the Manager shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The Manager shall document the haircut policy and the Manager shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.

38. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the Manager on behalf of a Fund:

    38.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and

    38.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.

39. The Manager shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.

Repurchase and reverse repurchase agreements

40. Where the Manager enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that is the Fund is at all times able to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis.

41. In circumstances in which cash is, by virtue of the obligation under paragraph 40 recallable at any time on a mark-to-market basis, the Manager shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.

42. Where the Manager enters into a repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

43. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.

Schedule 4

Sub-Custodians

A list of the third party delegates appointed by the Depositary pursuant to the Depositary and Custodian Agreement is available on www.schroders.com/en-ie/ie/professional/funds-and-strategies/fund-administration/.

Up-to-date information on the identity of the Depositary, its duties, of conflicts of interest, of the delegated safekeeping functions and of any conflicts of interest that may arise from such a delegation (or, if applicable, sub-delegation) will be made available to Investors on request.

This Schedule 4 is for information only and its contents are subject to change.

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SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER EMERGING MARKETS EQUITY ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors' attention is drawn to the risk warnings contained in the section headed "Risk Factors" in the Prospectus.

Investment Objective	
Investment Objective	The Fund aims to provide capital growth and income in excess of the MSCI Emerging Markets 10/40 Index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of emerging markets companies. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	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 emerging markets companies. 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. 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. The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. 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. The Fund's investment in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%.

Investment Policy	
	In relation to the Fund's investment in REITs which will not exceed the weight in the MSCI Emerging Markets 10/40 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. 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". ***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 MSCI Emerging Markets 10/40 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 measure the performance of large and mid-cap companies across 24 emerging market countries, as identified by MSCI Inc. The Benchmark applies the "10/40" constraint, ensuring that no single constituent exceeds 10% of the Benchmark and that the combined weight of all holdings representing more than 5% each does not exceed 40%. This approach aims to promote diversification and align with regulatory requirements. The Benchmark is reviewed regularly to maintain investability and reflect changes in the emerging markets equity universe. Further information can be found at www.msci.com. 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

Investment Policy	
	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. 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. *Integration of Sustainability Risk* 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. 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. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	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	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	USD
Minimum Subscription Amount	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.

Dealing in Shares in the Fund	
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.
Initial Offer Period	Beginning at 9.00 am (Irish time) on 19 September 2026 and terminating at 5.00 pm (Irish time) on 18 March 2027 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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. 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.
Trade Cut-Off Time	15:00 (UK time) on the Business Day prior to 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.
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	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, two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Distribution Frequency	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.
Conversions of Shares	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	
Fees and Expenses	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 0.30% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
German Taxation	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 ("BMF Circular 2019/ 0415199") and as may be amended from time to time.

Other Information	
	The relevant equity ratio for the Fund will be published on a daily basis on the Schroders German webpage at https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfsicav/ 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 (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 (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 (E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or (F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.
Index Disclaimer	The MSCI Emerging Markets 10/40 Index is used by Schroder Investment Management Limited as the reference universe for selection of the companies used as the basis for the Schroder ETFs ICAV – Schroder Emerging Markets Equity Active UCITS ETF. MSCI does not in any way sponsor, support, promote or endorse the Schroder ETFs ICAV – Schroder Emerging Markets Equity Active UCITS ETF. MSCI was not and is not involved in any way in the creation, calculation, maintenance, or review of the Schroder ETFs ICAV – Schroder Emerging Markets Equity Active UCITS ETF. The MSCI Emerging Markets 10/40 Index was provided on an "as is" basis. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating the MSCI Emerging Markets 10/40 Index (collectively, the "MSCI Parties") expressly disclaim all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose). Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages in connection with the MSCI Emerging Markets 10/40 Index or the Schroder ETFs ICAV – Schroder Emerging Markets Equity Active UCITS ETF.

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	Inc
Schroder Emerging Markets 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	Inc
Schroder Emerging Markets 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 Emerging Markets Equity Active UCITS ETF**

Legal entity identifier: **636700D8QEGP721OTW98**

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?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 MSCI Emerging Markets 10/40 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.

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 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.

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.

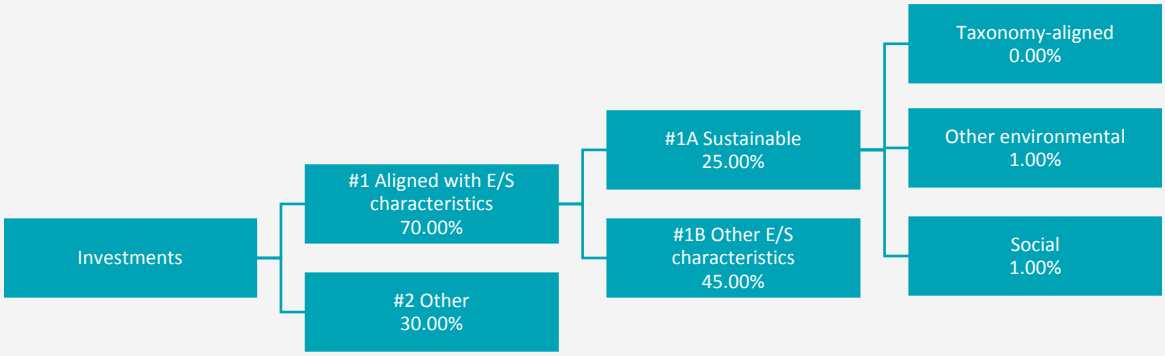
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Benchmark, and so the Fund's investments that are scored 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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 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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

[1] 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.

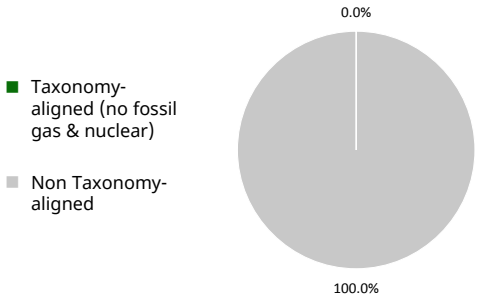
switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

☑ No

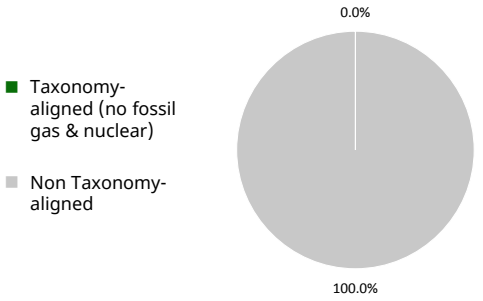
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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.

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.

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

[2] 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.

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?

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

- ***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.

- ***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/

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER GLOBAL EQUITY ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

Investment Objective	
Investment Objective	The Fund aims to provide capital growth and income in excess of the MSCI World (Net TR) Index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	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 companies worldwide. The Fund's exposure to emerging markets will not exceed 20% of net assets. 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. 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. The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. 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. The Fund's investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%. In relation to the Fund's investment in REITs which will not exceed the weight in the MSCI World Index +2.5% 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.

Investment Policy	
	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". ***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 with limited relative risk when compared to the MSCI World (Net TR) Index (the "**Benchmark**"). The focus of the strategy is firmly on delivering consistency in performance across the market cycle. The Investment Manager analyses a broad global universe to identify attractive opportunities, ensuring effective diversification, to manage risk and to avoid any extreme outcomes. The Fund's weight in a single country, region or sector will typically be within 3% of the Benchmark whilst the weight of each security will typically be within 0.75% of the Benchmark. 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 offers a representation of the world's developed equity markets, as determined by MSCI Inc., by targeting all companies with a market capitalization within the top 85% of their investable equity universe, subject to a global minimum size requirement. Further information can be found at www.msci.com. ***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	
	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. *Integration of Sustainability Risk* 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. 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. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. The impacts of ESG considerations, including sustainability risks, on the performance of the Sub-Fund is expected to be low. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	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	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	USD
Minimum Subscription Amount	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.
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.
Initial Offer Period	Beginning at 9.00 am (Irish time) on 11 August 2025 and terminating at 5.00 pm (Irish time) on 10 February 2026 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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.
Trade Cut-Off Time	15:00 (UK time) on the Business Day prior to 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.
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	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, two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Distribution Frequency	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.
Conversions of Shares	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	
Fees and Expenses	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 0.25% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
German Taxation	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 ("BMF Circular 2019/ 0415199") 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 https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfsicav/ 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	
	(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 (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 (E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or (F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.
Index Disclaimer	The MSCI World (Net TR) index is used by Schroder Investment Management Limited as the reference universe for selection of the companies used as the basis for the Schroder ETFs ICAV – Schroder Global Equity Active UCITS ETF. MSCI does not in any way sponsor, support, promote or endorse the Schroder ETFs ICAV – Schroder Global Equity Active UCITS ETF. MSCI was not and is not involved in any way in the creation, calculation, maintenance, or review of the Schroder ETFs ICAV – Schroder Global Equity Active UCITS ETF. The MSCI World (Net TR) index was provided on an "as is" basis. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating the MSCI World (Net TR) Index (collectively, the "MSCI Parties") expressly disclaim all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose). Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages in connection with the MSCI World (Net TR) Index or the Schroder ETFs ICAV – Schroder Global Equity Active UCITS ETF

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	Inc
Schroder Global 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	Inc
Schroder Global 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 Global Equity Active UCITS ETF**

Legal entity identifier: **636700SFER0YTOGABW95**

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?

●● ☐ **Yes**	●○ ☑ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 MSCI World (Net TR) 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.

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 and Voluntary)

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 MSCI World (Net TR) index, 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 Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom-rated 20% of stocks within the investment universe are excluded.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity-related securities of companies worldwide.

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 MSCI World (Net TR) index 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 Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom-rated 20% of stocks within the investment universe are excluded.

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?

Governance is a key dimension within the proprietary sustainability framework applied within the Fund's quantitative investment process. Our governance assessment is applied universally, across our entire investment universe, rewarding highly rated companies whilst penalising those with poorer standards and actively avoiding the worst. We include a breadth of underlying terms within our governance assessment, capturing material areas such as management structure (including board independence) alongside accounting quality, the treatment of shareholders by assessing ownership structures & dividend policy as well as measuring shareholder dissent. The full range of inputs included within our governance framework is included beneath.

Dividend Policy: Reward sustainable and increasing pay outs, asymmetric penalty for cuts

Accounting Risk: Over 20 key red flags including working capital stress, expense & revenue recognition and asset & liability valuation

Risks to Shareholders: Penalise higher risk ownership structures and elevated exchange related risks

Business Oversight: Reward independence and efficient structure of the board & key committees, asymmetric penalty for lower independence

Innovation: Reward firms with positive R&D relative to revenue generation

QEP Country Risk Monitor: Penalise poor country level governance standards. Political & Governance risk used as a conditional criteria.

Social risks are inherently driven by the nature of the underlying business as well as management decisions. We consider several inputs within our social framework. It is recognised that the extent to which these arise depends upon the industry the company operates in. For example, product quality is a key measure for manufacturing and consumer businesses which is why we focus on product recalls, particularly for high impact industries such as pharmaceuticals. By way of another example, data privacy is material for an increasing number of companies but is especially important for IT services and financials. However, where areas of concern are universal to companies we will apply penalties to companies globally, including for areas such as excessive employee turnover and tax avoidance.

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 MSCI World (Net TR) index, 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.

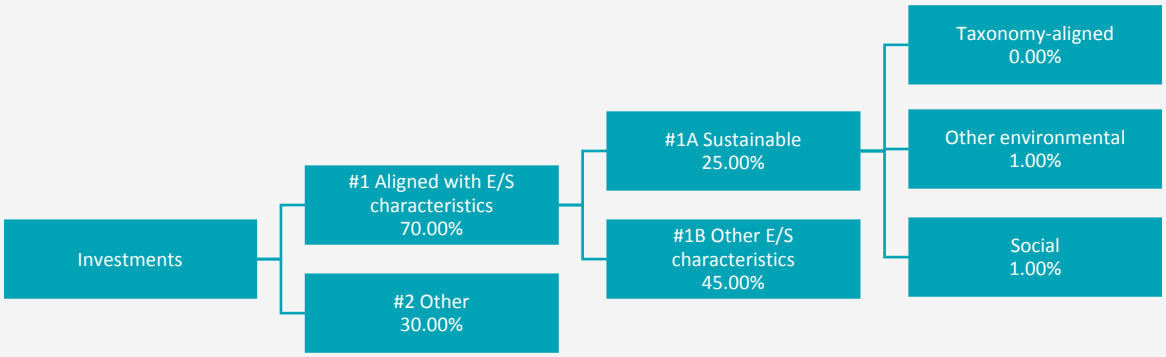
The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by SustainEx™ and/or (ii) contributes to an environmental and/or a social objective such that 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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 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.

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.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

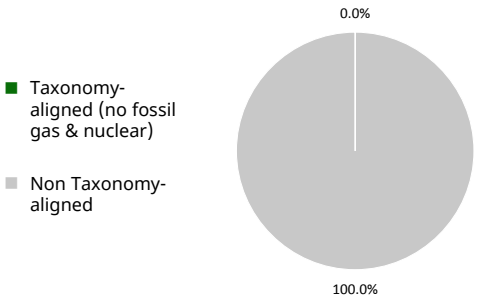
☐ In fossil gas ☐ In nuclear energy

☑ No

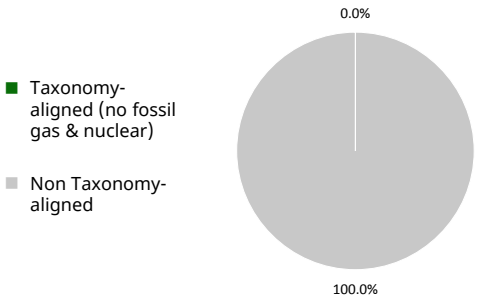
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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.

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.

[1] 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.

[2] 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?

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

- ***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.

- ***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/

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER GLOBAL INVESTMENT GRADE CORPORATE BOND ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

Investment Objective	
Investment Objective	The Fund aims to provide income and capital growth in excess of the Bloomberg Global Aggregate Corporate Index (Hedged to USD) after fees have been deducted over a three-to-five-year period by investing in fixed and floating rate securities issued by companies worldwide. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide. The Fund's exposure to emerging markets will not exceed 20% of net assets. The Fund invests in the full credit spectrum of fixed income investments. The Fund may invest: – 1. up to 10% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); – 2. up to 10% of its assets in contingent convertible bonds; and. – 3. up to 10% of its assets in asset-backed securities. The types of fixed and floating rate securities and other assets in which the Fund may invest include those set out below and, with the exception of permitted investments in unlisted securities, will generally be traded or listed on a Regulated Market listed in Schedule 1 of the Prospectus. The Fund may invest in the following types of securities: *Covered bonds*: being debt securities issued by governments, agencies, authorities, instrumentalities or by private issuers or credit institution and backed by a separate pool of assets (comprising commercial and residential mortgages) that, in the case of failure by the issuer, can cover claims at any point in time; *Asset-backed securities*: which are issued or guaranteed by governments, agencies, authorities, instrumentalities or by private issuers or credit institutions (such as, asset-backed securities related to automobile loans). The asset-backed securities in which the Fund may invest do not include collateralised obligations; *Government and high quality corporate bonds*: being debt securities issued by governments, agencies, authorities, instrumentalities or by private corporate issuers or credit institutions; *Government and other public securities*: being debt securities issued or guaranteed by a government, or other public bodies, their agencies, authorities or instrumentalities (e.g. bonds, debentures and notes which may be secured or unsecured, such as treasury notes and promissory notes). In the case of unsecured notes, these will be issued by the UK government or government agencies or non-UK government agencies such as the European Investment Bank or International Bank for Reconstruction & Development. Such securities may be supported either by the full faith and credit of the government or public body, the right of the issuer to borrow from the government or public body, the discretionary authority of the government or public body to purchase the obligations or only the credit of the issuer; *Certain debenture stock and fixed and floating rate bonds*: being a form of registered participation in debt that is not subordinated and is issued by a credit institution.

Investment Policy	
	The Fund may also invest up to one-third of its net assets directly or indirectly in the following types of securities: equity securities denominated in various currencies and issued by companies worldwide, Eligible Collective Investment Schemes (subject to a limit of 10%), and money market investments. The Fund will invest in Eligible Collective Investment Schemes to gain access to securities which it is not possible or efficient to invest in directly and/or for cash management purposes. The Fund may invest in money market instruments for cash management purposes and may hold cash for this purpose. The money market instruments in which the Fund may invest are: *Cash and cash equivalents*: these include certificates of deposit, commercial paper, floating rate notes and short-dated government bonds. *Certain deposits with an Approved Bank*: being monies placed with an Approved Bank for safekeeping; and *Bills of exchange*: being short term negotiable financial instruments which are accepted by a credit institution. ***Use of Financial Derivative Instruments*** The Fund may use the following derivatives with the aim of reducing risk or managing the Fund more efficiently: FX forwards, futures and credit default swaps. The financial derivative instruments used by the Fund may be traded on an exchange or over the counter. A list of the Regulated Markets on which financial derivative instruments may be quoted or traded is set out in Schedule 1 of the Prospectus. ***Investment Strategy*** This strategy focuses on a pure bottom-up approach to corporate bonds, aiming to build an efficient portfolio that delivers consistent risk-adjusted performance across market conditions. The investment process is designed to exploit structural pricing inefficiencies present in the corporate bond markets. The investment process is built around three key processes: 1. Identifying Value: The Investment Manager utilises a quantitative technique to estimate the relative fair value of thousands of bonds that make up the Bloomberg Global Aggregate Corporate Index (Hedged to USD) (the "**Benchmark**"). This quantitative technique uses market information and proprietary projections from the Investment Manager. The market information comprises standard factors for valuing bonds, such as duration, sector, credit rating and country as well as unique factors such as liquidity and volatility which are combined with fundamental ratios (such as leverage of a bond issuer) determined by the Investment Manager. The resulting fair value spreads are then compared with current market spreads, highlighting bonds with higher estimated spreads and calculating their expected returns. . To mitigate tail risks, bonds and issuers are excluded from the universe if the Investment Manager deems them high-risk for a significant downgrade (dropping more than one notch on the rating scale). 2. Diversifying Risk: The Investment Manager utilises a risk model that evaluates the risk characteristics of individual bonds rather than sector-wide groups. This model captures systematic risks and idiosyncratic correlations (i.e. risks that are not correlated with larger macroeconomic factors) specific to individual bonds, recognising that issuers within the same sector can have varied business models, capital structures, and risk exposures. After estimating total returns for each bond, the risk model calculates their volatilities and uses bond-by-bond covariance (i.e. how bonds perform in relation to one another) to assess risk relationships, aiding in constructing the optimal portfolio. 3. Portfolio Construction: The final phase involves constructing the most efficient portfolio from the identified opportunities, considering risk diversification and the Fund's objectives. The Investment Manager uses an optimisation model to integrate security selection as described in the first key process above and bond-specific risk management as described in the second key process above. The optimisation model combines the expected return from the fair value analysis with the proprietary risk model seeking to deliver robust risk-adjusted returns efficiently and at scale. Liquidity analysis is incorporated to account for transaction costs, ensuring trades are recommended only when expected returns exceed these costs. ***Description of the Benchmark*** The Benchmark is a flagship measure of global investment grade, fixed-rate corporate debt. It is a multi-currency benchmark that includes bonds from developed and emerging markets issuers within the industrial, utility and financial sectors. Further information can be found at www.bloomberg.com. The Fund is actively managed in reference to the Benchmark. The Benchmark is used as the Fund's investment universe to which the investment strategy is applied and is also used for performance comparison purposes. The Fund will only invest in securities that comprise the Benchmark, which for the avoidance of doubt may include new bond issues prior to their inclusion in the Benchmark. The Fund will be more concentrated than the Benchmark, with securities selected in accordance with the investment strategy disclosed above, and so will vary in composition, risk and return from the Benchmark.

Investment Policy	
	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 60% 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 of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio 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 issuer 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. In addition, the Fund promotes these characteristics by investing at least 10% of its assets in sustainable investments, which are issuers assessed and scored by SustainEx™ as making a positive contribution to Planet or People or are classified as a green, social and/ or sustainable bond. A bond is considered to be sustainable if either the issuer itself or the activity funded by the proceeds of the bond makes a positive contribution to the environment and/or society, namely by contributing to climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and/or affordable housing projects. *Exclusions and Integration of ESG Risk factors* The Investment Manager excludes issuers with exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging (such as egregious violations of human rights and/or demonstrating gross misconduct). The Investment Manager also integrates environmental, social and governance (ESG) factors when selecting investments for the Fund to seek to ensure issuers have an appropriate risk profile. The Investment Manager seeks to invest in issuers it considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers which is determined through use of issuer level ESG assessments. These assessments, which are refreshed at least quarterly or more frequently as determined by market events or news flows, rate issuers on a scale from A to D and includes forward-looking direction ratings that identifies stable, improving or deteriorating sustainability characteristics. The classification is as follows: A – meets best practice in relation to all/nearly of the sustainability characteristics applicable to the relevant issuer B – meets best practice in relation to some of the sustainability characteristics applicable to the relevant issuer C – behind best practice in relation to some of the sustainability characteristics applicable to the relevant issuer D – Behind best practice in relation to many of the sustainability characteristics applicable to the relevant issuer. Regarding forward-looking direction ratings, the classification is as follows: Improving – material positive changes are expected in relation to several sustainability characteristics over the next 12-24 months Stable – do not expect significant changes in sustainability characteristics in the next 12-24 months Declining – sustainability characteristics are expected to deteriorate in the next 12-36 months.

Investment Policy	
	In the event an issuer is downgraded below the rating deemed appropriate for investment by the Fund, the Investment Manager will divest the Fund's investment in that issuer taking into account the interests of Shareholders. The primary sources of information to identify issuer with appropriate ESG credentials are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Dealing in Shares in the Fund	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	USD
Minimum Subscription Amount	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.
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.
Initial Offer Period	Beginning at 9.00 am (Irish time) on 11 August 2025 and terminating at 5.00 pm (Irish time) on 10 February 2026 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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. 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.
Trade Cut-Off Time	15:00 (UK time) on the relevant 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.

Dealing in Shares in the Fund	
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	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, two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Distribution Frequency	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.
Conversions of Shares	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	
Fees and Expenses	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 0.25% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Valuation	The Net Asset Value per Share is calculated in accordance with the "**Determination of Net Asset Value**" section of the Prospectus, using the constituent pricing of the Fund's Benchmark.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
Index disclaimer	"Bloomberg®" and the Bloomberg indices listed herein (the "Indices") are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg"), and have been licensed for use for certain purposes by the distributor hereof (the "Licensee"). The financial products named herein (the "Products") are not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the Products or any member of the public regarding the advisability of investing in securities or commodities generally or in the Product particularly. The only relationship of Bloomberg to Licensee is the licensing of certain trademarks, trade names and service marks and of the Indices, which are determined, composed and calculated by BISL without regard to Licensee or the Products. Bloomberg has no obligation to take the needs of Licensee or the owners of the Products into consideration in determining, composing or calculating the Indices. Bloomberg is not responsible for and has not participated in the determination of the timing, price, or quantities of the Products to be issued. Bloomberg shall not have any obligation or liability, including, without limitation, to customers of the Products, in connection with the administration, marketing or trading of the Products. BLOOMBERG DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDICES OR ANY DATA RELATED THERETO AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. BLOOMBERG DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR ANY DATA RELATED THERETO. BLOOMBERG DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDICES OR ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, TO THE MAXIMUM EXTENT ALLOWED BY LAW, BLOOMBERG, ITS LICENSORS, AND ITS AND THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, AGENTS, SUPPLIERS, AND VENDORS SHALL HAVE NO LIABILITY OR RESPONSIBILITY WHATSOEVER FOR ANY INJURY OR DAMAGES—WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR OTHERWISE—ARISING IN CONNECTION WITH THE PRODUCT OR INDICES OR ANY DATA OR VALUES RELATING THERETO—WHETHER ARISING FROM THEIR NEGLIGENCE OR OTHERWISE, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

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	Inc
Schroder Global Investment Grade Corporate Bond 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	Inc
Schroder Global Investment Grade Corporate Bond 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 Global Investment Grade Corporate Bond Active UCITS ETF**

Legal entity identifier: **636700TQVHYT5WABDN03**

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?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 60% 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 Bloomberg Global Aggregate Corporate (Hedged to USD) Index (the "Benchmark").

The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio 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 10% of its assets in sustainable investments, which are issuers assessed and scored by SustainEx™ as making a positive contribution to Planet or People or are classified as a green, social and/ or sustainable bond. A bond is considered to be sustainable if either the issuer itself or the activity funded by the proceeds of the bond makes a positive contribution to the environment and/or society. Green bonds finance environmental projects such as renewable energy, energy efficiency, clean transportation; social bonds finance social projects such as affordable housing, healthcare, food security; and sustainability bonds finance both environmental and social projects such as bonds linked to the United Nations Sustainable Development Goals.

SustainEx™ produces an assessment of an issuer'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 issuer. 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). For companies, the overall score is measured relative to the revenue a company generates from its products and services (the company's sales) so, if a company scores +1%, this means that for every £100 sales the company generates, it would provide a positive contribution to people and/or the planet of £1. For sovereigns, the score is measured relative to its gross domestic product (GDP). If a sovereign scores +1%, this means that for every £100 of GDP the sovereign generates, it would provide a positive contribution to people and/or the planet of £1.

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 (i) the sustainability score of each asset in SustainEx™ and/or (ii) whether the asset is classified as a green, social and/ or sustainable bond and/or (iii) 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 10% 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 either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by SustainEx™ and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) 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 SustainEx™ are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

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.

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, the 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.

Any such company cannot be categorised as a sustainable investment.

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, accessed via 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?

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 as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuers' overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.

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 selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

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

The Fund maintains a higher overall sustainability score than Bloomberg Global Aggregate Corporate (Hedged to USD) index, based on the Investment Manager's rating system.

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/.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct, 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.

- The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

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 fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

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

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 Bloomberg Global Aggregate Corporate (Hedged to USD) index based on SustainEx™.

- The Fund invests at least 10% 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 fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

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

is rated against the sustainability criteria.

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.

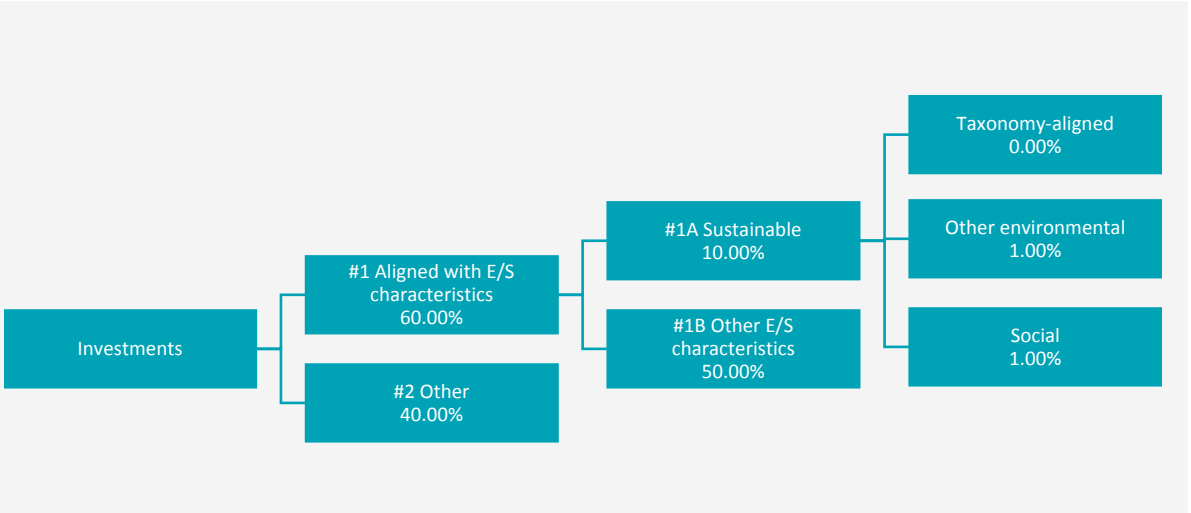
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Global Aggregate Corporate (Hedged to USD) index, 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 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is 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 10% 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™ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by the Investment Manager. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool 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 other 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 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool SustainEx™ which is one of the binding elements of the Fund. The Fund may use other 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 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.

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.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

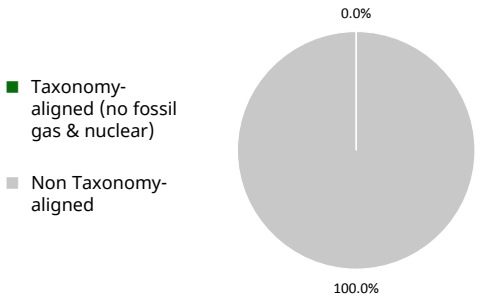
☐ In fossil gas ☐ In nuclear energy

☑ No

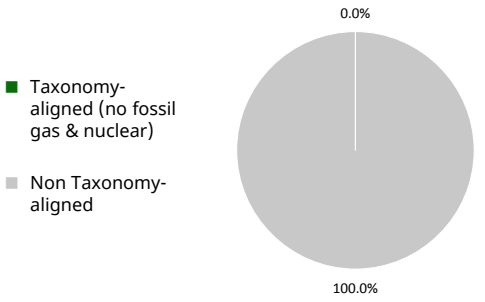
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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

Transitional activities are activities for which low-carbon

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.

[1] 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.

[2] 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.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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 10% 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 10%, 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 10% 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 10%, 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 other 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 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?

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

- ***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.

- ***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/.

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER GLOBAL EQUITY CUSTOM ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors' attention is drawn to the risk warnings contained in the section headed "Risk Factors" in the Prospectus.

Investment Objective	
Investment Objective	The Fund aims to provide capital growth and income in excess of the Solactive ISS ESG Screened Paris Aligned Global Markets (Net TR) Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	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 companies worldwide. The Fund's exposure to emerging markets will not exceed 30% of net assets. 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. 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. The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. 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. The Fund's investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%.

Investment Policy	
	In relation to the Fund's investment in REITs which will not exceed the weight in the Solactive ISS ESG Screened Paris Aligned Global Markets (Net TR) Index +3% 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. 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". ***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 Solactive ISS ESG Screened Paris Aligned Global Markets (Net TR) Index (the "Benchmark"). The focus of the strategy is on delivering consistency in performance across the market cycle. The Investment Manager analyses a broad global 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 offers a representation of the world's equity markets, as determined by Solactive, in that it seeks to track various size and regional segments of the global stock market. The Benchmark is constructed from the Solactive GBS Global Markets Large & Mid Cap USD Index which comprises global large- and mid-cap companies by selecting securities in such a manner that the resulting Benchmark portfolio's greenhouse gas emissions are aligned with the long-term global warming target of the Paris Agreement. This is achieved through the exclusion of companies with exposures to certain activities based on revenue thresholds, as determined by Solactive. Further information can be found at www. Solactive.com. The Fund is actively managed in reference to the Benchmark. The Fund's investment universe is a broad global 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

Investment Policy	
	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 Solactive GBS Global Markets Large & Mid Cap Index. 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 Solactive GBS Global Markets Large & Mid Cap Index 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. *Integration of Sustainability Risk* 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. 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. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	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	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	USD
Minimum Subscription Amount	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.

Dealing in Shares in the Fund	
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.
Initial Offer Period	Beginning at 9.00 am (Irish time) on 1 December 2025 and terminating at 5.00 pm (Irish time) on 31 May 2026 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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. 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.
Trade Cut-Off Time	15:00 (UK time) on the Business Day prior to 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.
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	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, two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Distribution Frequency	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.
Conversions of Shares	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	
Fees and Expenses	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 0.28% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	It is intended that the Shares will be listed and admitted for trading on a number of stock exchanges, including but not limited to Nasdaq Nordic and the London Stock Exchange, but the ICAV does not warrant or guarantee that such listings will take place or continue to exist.
German Taxation	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 ("BMF Circular 2019/ 0415199") and as may be amended from time to time.

Other Information	
	The relevant equity ratio for the Fund will be published on a daily basis on the Schroders German webpage at https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfsicav/ 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 (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 (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 (E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or (F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.
Index Disclaimer	Solactive AG ("Solactive") is the licensor of Solactive ISS ESG Screened Paris Aligned Global Markets (Net TR) Index and the Solactive GBS Global Markets Large & Mid Cap Index (each an "Index"). The financial instruments that are based on the Index are not sponsored, endorsed, promoted or sold by Solactive in any way and Solactive makes no express or implied representation, guarantee or assurance with regard to: (a) the advisability in investing in the financial instruments; (b) the quality, accuracy and/or completeness of the Index; and/or (c) the results obtained or to be obtained by any person or entity from the use of the Index. Solactive does not guarantee the accuracy and/or the completeness of the Index and shall not have any liability for any errors or omissions with respect thereto. Notwithstanding Solactive's obligations to its licensees, Solactive reserves the right to change the methods of calculation or publication with respect to the Index and Solactive shall not be liable for any miscalculation of or any incorrect, delayed or interrupted publication with respect to the Index. Solactive shall not be liable for any damages, including, without limitation, any loss of profits or business, or any special, incidental, punitive, indirect or consequential damages suffered or incurred as a result of the use (or inability to use) of the Index.

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	Inc
Schroder Global Equity Custom 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	Inc
Schroder Global Equity Custom 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 Global Equity Custom Active UCITS ETF**

Legal entity identifier: **636700Y6GZ61UKTB4T72**

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?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 Solactive GBS Global Markets Large & Mid Cap 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 Solactive GBS Global Markets Large & Mid Cap Index 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 Solactive GBS Global Markets Large & Mid Cap Index (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 Solactive GBS Global Markets Large & Mid Cap Index 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.

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 and Voluntary)

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 a 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 Solactive GBS Global Markets Large & Mid Cap Index, 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/

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 Solactive GBS Global Markets Large & Mid Cap Index 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.

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

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

relations, remuneration of staff and tax compliance.

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.

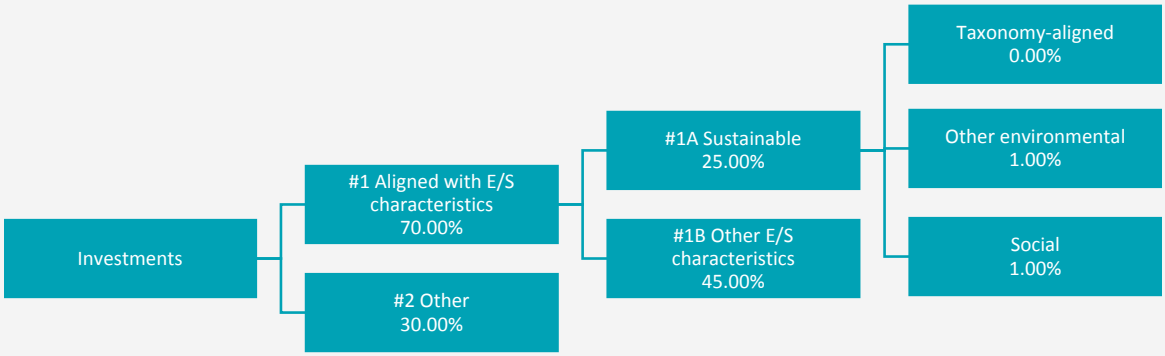
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Solactive GBS Global Markets Large & Mid Cap Index, and 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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 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.

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.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

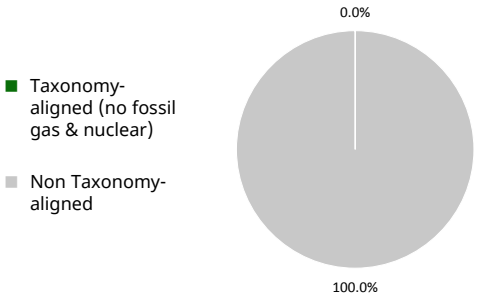
☑ No

[1] 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.

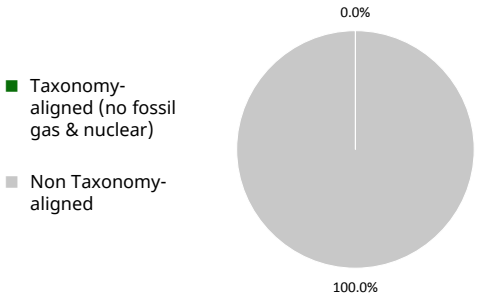
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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.

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.

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.

[2] 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 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?

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

- ***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.

- ***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/

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER US EQUITY ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

Investment Objective	
Investment Objective	The Fund aims to provide capital growth and income in excess of the S&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. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	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. 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. 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. 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. The Fund's investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%. In relation to the Fund's investment in REITs which will not exceed the weight in the S&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. 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".

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. 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	
	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. *Integration of Sustainability Risk* 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. 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. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	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	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	USD
Minimum Subscription Amount	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.
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.
Initial Offer Period	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.
Initial Offer Price	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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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.
Trade Cut-Off Time	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.
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	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).
Distribution Frequency	Accumulation Share Classes and Income Share Classes are available in the Fund. With respect to Income Share Classes, the Fund intends to distribute annually in accordance with the provisions set out in the "Distribution Policy" section of the Prospectus.
Conversions of Shares	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	
Fees and Expenses	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 "**Fees, Costs and Expenses**" in the Prospectus.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
German Taxation	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 ("BMF Circular 2019/ 0415199") 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 https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfsicav/ 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	
	(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 (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 (E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or (F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.
Index Disclaimer	The "S&P 500 Index" is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI"), and has been licensed for use by Schroder Investment Management Limited. S&P®, S&P 500®, SPX®, SPY®, US 500™, The 500™, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates ("S&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&P, any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&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&P 500 Index to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices' only relationship to Schroder Investment Management Limited with respect to the S&P 500 Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P 500 Index is determined, composed and calculated by S&P Dow Jones Indices without regard to Schroder Investment Management Limited or the Schroder ETFs ICAV – Schroder US Equity Active UCITS ETF. S&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&P 500 Index. S&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&P 500 Index will accurately track index performance or provide positive investment returns. S&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&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. NEITHER S&P DOW JONES INDICES NOR THIRD PARTY LICENSOR GUARANTEES THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE S&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&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. 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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	Inc
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	Inc
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: **636700ZKDZ43SWDXKO09**

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?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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.

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 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.

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.

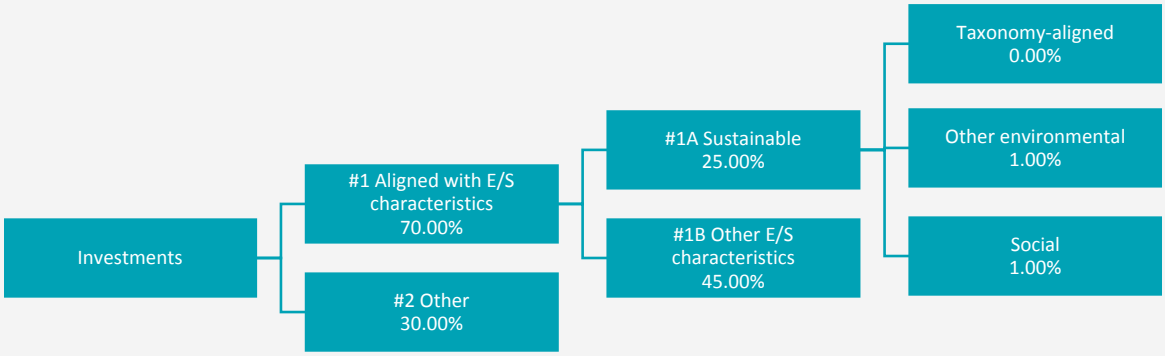
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Benchmark, and so the Fund's investments that are scored 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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 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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

[1] 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.

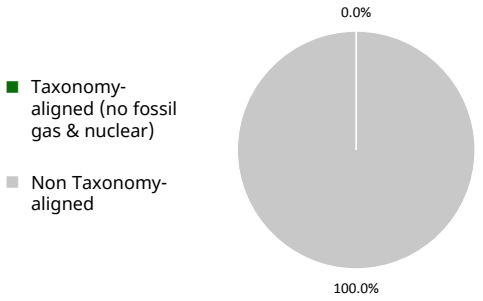
switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

☑ No

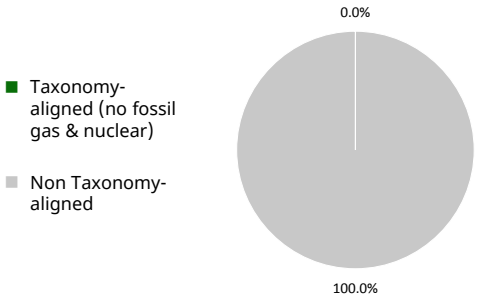
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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.

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.

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

[2] 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.

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?

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

- ***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.

- ***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/

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER AC ASIA PACIFIC EX JAPAN EQUITY ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

Investment Objective	
Investment Objective	The Fund aims to provide capital growth and income in excess of the MSCI AC Asia Pacific ex Japan 10/40 (Net TR) Index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies in the Asia Pacific region, excluding Japan. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	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 companies in the Asia Pacific region, excluding Japan. The Fund may invest greater than 50% of its net assets in emerging markets. 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. 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. The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. 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. The Fund's investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%. In relation to the Fund's investment in REITs which will not exceed the weight in the MSCI AC Asia Pacific ex Japan 10/40 (Net TR) 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.

Investment Policy	
	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". ***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 MSCI AC Asia Pacific ex Japan 10/40 (Net TR) 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 capture the equity market performance of developed and emerging markets in the Asia Pacific region, excluding Japan. The Benchmark comprises large and mid-cap companies selected to provide broad and diversified representation of the free float-adjusted market capitalisation in each country within its coverage universe, subject to a minimum size requirement as determined by MSCI Inc. Further information and detailed methodology are available at www.msci.com. 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.

Investment Policy	
	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. 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. *Integration of Sustainability Risk* 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. 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. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	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	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	USD
Minimum Subscription Amount	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.
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.

Dealing in Shares in the Fund	
Initial Offer Period	Beginning at 9.00 am (Irish time) on 31 July 2026 and terminating at 5.00 pm (Irish time) on 29 January 2027 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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. 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.
Trade Cut-Off Time	15:00 (UK time) on the Business Day prior to 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.
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	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, two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Distribution Frequency	Accumulation Share Classes and Income Share Classes are available in the Fund. With respect to Income Share Classes, the Fund intends to distribute annually in accordance with the provisions set out in the "Distribution Policy" section of the Prospectus.
Conversions of Shares	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	
Fees and Expenses	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 0.30% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
German Taxation	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 ("BMF Circular 2019/ 0415199") 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 https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfsicav/ 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.

Other Information	
	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 (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 (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 (E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or (F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.
Index Disclaimer	The MSCI AC Asia Pacific ex Japan 10/40 (Net TR) Index is used by Schroder Investment Management Limited as the reference universe for selection of the companies used as the basis for the Schroder ETFs ICAV – Schroder AC Asia Pacific ex Japan Equity Active UCITS ETF. MSCI does not in any way sponsor, support, promote or endorse the Schroder ETFs ICAV – Schroder AC Asia Pacific ex Japan Equity Active UCITS ETF. MSCI was not and is not involved in any way in the creation, calculation, maintenance, or review of the Schroder ETFs ICAV – Schroder AC Asia Pacific ex Japan Equity Active UCITS ETF. The MSCI AC Asia Pacific ex Japan 10/40 (Net TR) Index was provided on an "as is" basis. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating the MSCI AC Asia Pacific ex Japan 10/40 (Net TR) Index (collectively, the "MSCI Parties") expressly disclaim all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose). Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages in connection with the MSCI AC Asia Pacific ex Japan 10/40 (Net TR) Index or the Schroder ETFs ICAV – Schroder AC Asia Pacific ex Japan Equity Active UCITS ETF.

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	Inc
Schroder AC Asia Pacific ex Japan 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	Inc
Schroder AC Asia Pacific ex Japan 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 AC Asia Pacific ex Japan Equity Active UCITS ETF**

Legal entity identifier: **6367007T40R1T4LJUV76**

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?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 MSCI AC Asia Pacific ex Japan 10/40 (Net TR) 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.

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 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.

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.

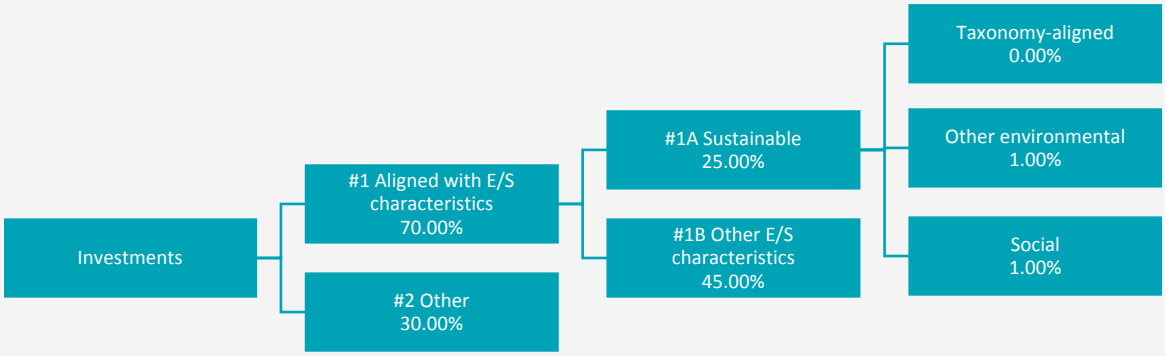
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Benchmark, and so the Fund's investments that are scored 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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 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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

[1] 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.

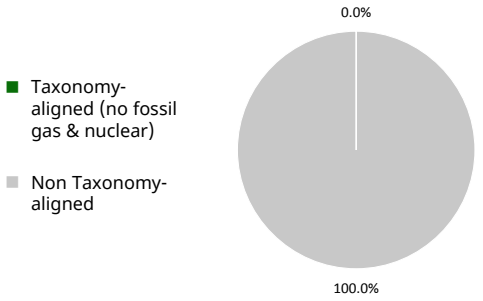
switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

☑ No

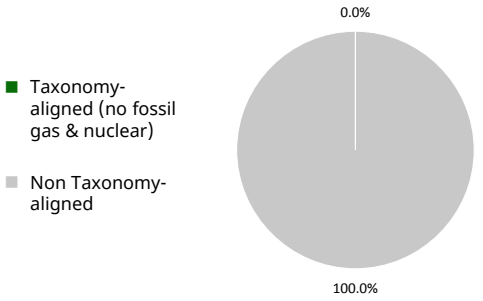
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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.

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.

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

[2] 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.

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?

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

- ***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.

- ***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/

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER EUROPE EQUITY ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

Investment Objective	
Investment Objective	The Fund aims to provide capital growth and income in excess of the MSCI Europe (Net TR) Index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of European companies. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	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 European companies. 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. 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. 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. The Fund's investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%. In relation to the Fund's investment in REITs which will not exceed the weight in the MSCI Europe (Net TR) 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. 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".

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 MSCI Europe (Net TR) 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 developed market equities across Europe, as determined by MSCI Inc. The Benchmark comprises large and mid-cap companies, selected to provide broad and diversified representation of the free float-adjusted market capitalisation in each included country, subject to a minimum size requirement. Further information and detailed methodology are available at www.msci.com. 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. The Investment Manager has discretion to select the Fund's investments and may overweight or underweight securities with reference to the Benchmark as determined by the Investment Manager's investment process. The Investment Manager will seek to ensure the active risk taken by the Fund is appropriate to meet the Investment Policy. ***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.

Investment Policy	
	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. 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. *Integration of Sustainability Risk* 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. 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. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	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	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	EUR
Minimum Subscription Amount	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.
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.

Dealing in Shares in the Fund	
Initial Offer Period	Beginning at 9.00 am (Irish time) on 31 July 2026 and terminating at 5.00 pm (Irish time) on 29 January 2027 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	EUR 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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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. 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.
Trade Cut-Off Time	14:00 (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.
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	In respect of subscriptions, two Business Days after the relevant Dealing Day (unless otherwise stipulated by the Manager or its delegate). In respect of redemptions, two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Distribution Frequency	Accumulation Share Classes and Income Share Classes are available in the Fund. With respect to Income Share Classes, the Fund intends to distribute annually in accordance with the provisions set out in the "Distribution Policy" section of the Prospectus.
Conversions of Shares	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	
Fees and Expenses	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 0.25% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
German Taxation	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 ("BMF Circular 2019/ 0415199") 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 https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfsicav/ 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.

Other Information	
	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 (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 (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 (E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or (F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.
Index Disclaimer	The MSCI Europe (Net TR) Index is used by Schroder Investment Management Limited as the reference universe for selection of the companies used as the basis for the Schroder ETFs ICAV – Schroder Europe Equity Active UCITS ETF. MSCI does not in any way sponsor, support, promote or endorse the Schroder ETFs ICAV – Schroder Europe Equity Active UCITS ETF. MSCI was not and is not involved in any way in the creation, calculation, maintenance, or review of the Schroder ETFs ICAV – Schroder Europe Equity Active UCITS ETF. The MSCI Europe (Net TR) Index was provided on an "as is" basis. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating the MSCI Europe (Net TR) Index (collectively, the "MSCI Parties") expressly disclaim all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose). Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages in connection with the MSCI Europe (Net TR) Index or the Schroder ETFs ICAV – Schroder Europe Equity Active UCITS ETF.

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	
		EUR	
		Acc	Inc
Schroder Europe Equity Active UCITS ETF	EUR	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	Inc
Schroder Europe Equity Active UCITS ETF	EUR	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 Europe Equity Active UCITS ETF**

Legal entity identifier: **636700AYS9866ACXH952**

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?

●● ☐ **Yes**	●○ ☑ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 MSCI Europe (Net TR) 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.

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 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.

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.

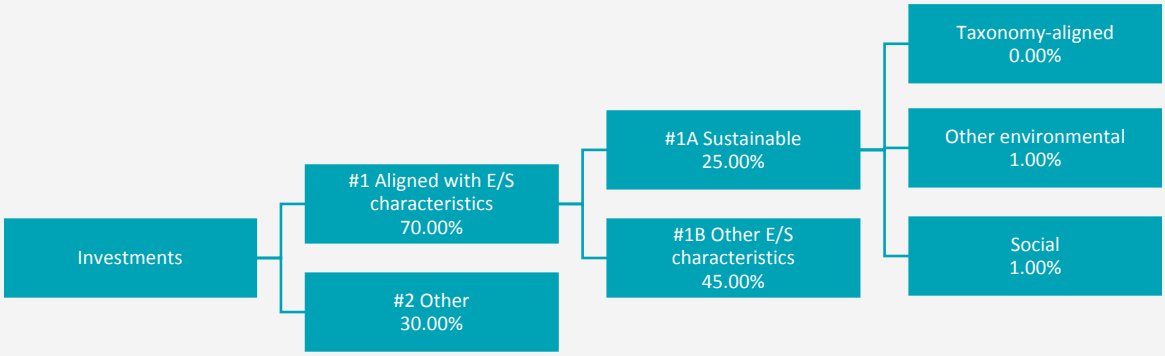
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Benchmark, and so the Fund's investments that are scored 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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 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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

[1] 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.

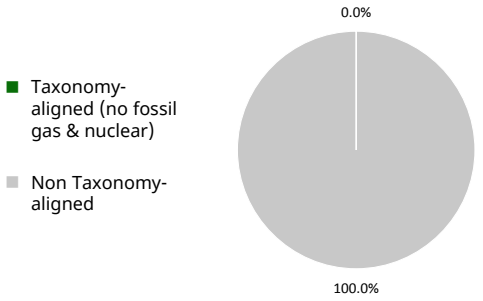
switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

☑ No

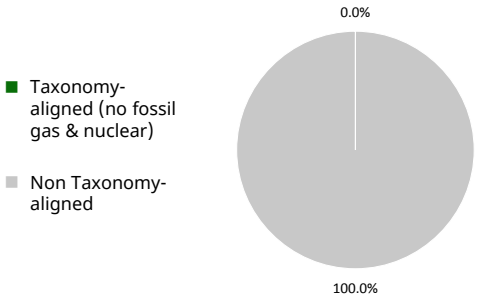
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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.

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.

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

[2] 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.

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?

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

- ***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.

- ***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/

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER JAPAN EQUITY ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

Investment Objective	
Investment Objective	The Fund aims to provide capital growth and income in excess of the MSCI Japan (Net TR) Index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of Japanese companies. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	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 Japanese companies. 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. 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. 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. The Fund's investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%. In relation to the Fund's investment in REITs which will not exceed the weight in the MSCI Japan (Net TR) 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. 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".

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 MSCI Japan (Net TR) 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 Japanese equity market, as determined by MSCI Inc. The Benchmark comprises large and mid-cap companies, selected to provide broad and diversified representation of the free float-adjusted market capitalisation within Japan, subject to a minimum size requirement. Further information and detailed methodology are available at www.msci.com. 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. The Investment Manager has discretion to select the Fund's investments and may overweight or underweight securities with reference to the Benchmark as determined by the Investment Manager's investment process. The Investment Manager will seek to ensure the active risk taken by the Fund is appropriate to meet the Investment Policy. ***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.

Investment Policy	
	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. 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. *Integration of Sustainability Risk* 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. 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. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	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	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	JPY
Minimum Subscription Amount	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.
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.

Dealing in Shares in the Fund	
Initial Offer Period	Beginning at 9.00 am (Irish time) on 31 July 2026 and terminating at 5.00 pm (Irish time) on 29 January 2027 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	JPY 1,000 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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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. 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.
Trade Cut-Off Time	15:00 (UK time) on the Business Day prior to 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.
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	In respect of subscriptions, two Business Days after the relevant Dealing Day (unless otherwise stipulated by the Manager or its delegate). In respect of redemptions, two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Distribution Frequency	Accumulation Share Classes and Income Share Classes are available in the Fund. With respect to Income Share Classes, the Fund intends to distribute annually in accordance with the provisions set out in the "Distribution Policy" section of the Prospectus.
Conversions of Shares	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	
Fees and Expenses	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 0.25% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
German Taxation	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 ("BMF Circular 2019/ 0415199") 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 https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/etfsicav/ 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.

Other Information	
	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 (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 (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 (E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or (F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.
Index Disclaimer	The MSCI Japan (Net TR) index is used by Schroder Investment Management Limited as the reference universe for selection of the companies used as the basis for the Schroder ETFs ICAV – Schroder Japan Equity Active UCITS ETF. MSCI does not in any way sponsor, support, promote or endorse the Schroder ETFs ICAV – Schroder Japan Equity Active UCITS ETF. MSCI was not and is not involved in any way in the creation, calculation, maintenance, or review of the Schroder ETFs ICAV – Schroder Japan Equity Active UCITS ETF. The MSCI Japan (Net TR) index was provided on an "as is" basis. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating the MSCI Japan (Net TR) index (collectively, the "MSCI Parties") expressly disclaim all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose). Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages in connection with the MSCI Japan (Net TR) index or the Schroder ETFs ICAV – Schroder Japan Equity Active UCITS ETF.

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	
		JPY	
		Acc	Inc
Schroder Japan Equity Active UCITS ETF	JPY	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	Inc
Schroder Japan Equity Active UCITS ETF	JPY	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 Japan Equity Active UCITS ETF**

Legal entity identifier: **636700VY662URA59E055**

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?

●● ☐ **Yes**	●○ ☑ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 MSCI Japan (Net TR) 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.

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 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.

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.

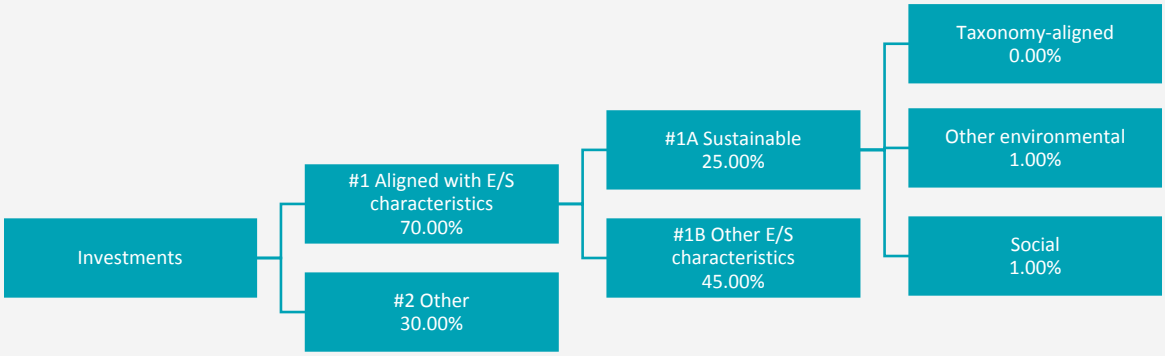
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Benchmark, and so the Fund's investments that are scored 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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 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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

[1] 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.

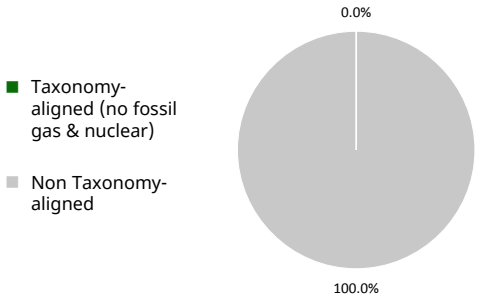
switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

☑ No

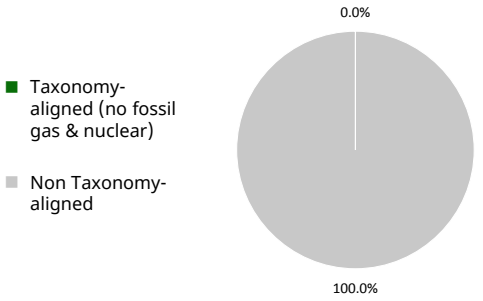
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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.

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.

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

[2] 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.

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?

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

- ***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.

- ***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/

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER USD INVESTMENT GRADE CORPORATE BOND ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

Investment Objective	
Investment Objective	The Fund aims to provide income and capital growth in excess of the Bloomberg US Corporate Total Return Index after fees have been deducted over a three-to-five-year period by investing in fixed and floating rate securities denominated in USD and issued by companies worldwide. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in USD and issued by companies worldwide. The Fund's exposure to emerging markets will not exceed 20% of net assets. The Fund may invest: up to 10% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); up to 10% of its assets in contingent convertible bonds; and. up to 10% of its assets in asset-backed securities. The Fund may invest up to one-third of its assets directly or indirectly in other types of fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide, equity securities denominated in various currencies and issued by companies worldwide, Eligible Collective Investment Schemes and money market investments. With the exception of permitted investments in unlisted securities, the fixed and floating rate securities will generally be traded or listed on a Regulated Market listed in Schedule 1 of the Prospectus. The Fund may invest in the following types of fixed and floating rate securities: *Covered bonds:* being debt securities issued by governments, agencies, authorities, instrumentalities or by private issuers or credit institution and backed by a separate pool of assets (comprising commercial and residential mortgages) that, in the case of failure by the issuer, can cover claims at any point in time; *Asset-backed securities:* which are issued or guaranteed by governments, agencies, authorities, instrumentalities or by private issuers or credit institutions (such as, asset-backed securities related to automobile loans). The asset-backed securities in which the Fund may invest do not include collateralised obligations; *Government and high quality corporate bonds:* being debt securities issued by governments, agencies, authorities, instrumentalities or by private corporate issuers or credit institutions; *Government and other public securities:* being debt securities issued or guaranteed by a government, or other public bodies, their agencies, authorities or instrumentalities (e.g. bonds, debentures and notes which may be secured or unsecured, such as treasury notes and promissory notes). In the case of unsecured notes, these will be issued by the US government or government agencies or non-US government agencies such as the European Investment Bank or International Bank for Reconstruction & Development. Such securities may be supported either by the full faith and credit of the government or public body, the right of the issuer to borrow from the government or public body, the discretionary authority of the government or public body to purchase the obligations or only the credit of the issuer;

Investment Policy	
	Certain debenture stock and fixed and floating rate bonds: being a form of registered participation in debt that is not subordinated and is issued by a credit institution. The Fund's investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%. The Fund will invest in Eligible Collective Investment Schemes to gain access to securities which it is not possible or efficient to invest in directly and/or for cash management purposes. The Fund may invest in money market instruments for cash management purposes and may hold cash for this purpose. The money market instruments in which the Fund may invest are: *Cash and cash equivalents:* these include certificates of deposit, commercial paper, floating rate notes and short-dated government bonds. *Certain deposits with an Approved Bank:* being monies placed with an Approved Bank for safekeeping; and *Bills of exchange:* being short term negotiable financial instruments which are accepted by a credit institution. ***Use of Financial Derivative Instruments*** The Fund may use the following derivatives with the aim of reducing risk or managing the Fund more efficiently: FX forwards, futures and credit default swaps. The financial derivative instruments used by the Fund may be traded on an exchange or over the counter. A list of the Regulated Markets on which financial derivative instruments may be quoted or traded is set out in Schedule 1 of the Prospectus. ***Investment Strategy*** This strategy focuses on a pure bottom-up approach to corporate bonds, aiming to build an efficient portfolio that delivers consistent risk-adjusted performance across market conditions. The investment process is designed to exploit structural pricing inefficiencies present in the corporate bond markets. The investment process is built around three key processes: 1. Identifying Value: The Investment Manager utilises a quantitative technique to estimate the relative fair value of thousands of bonds that make up the Bloomberg US Corporate Total Return Index (the "**Benchmark**"). This quantitative technique uses market information and proprietary projections from the Investment Manager. The market information comprises standard factors for valuing bonds, such as duration, sector, credit rating and country as well as unique factors such as liquidity and volatility which are combined with fundamental ratios (such as leverage of a bond issuer) determined by the Investment Manager. The resulting fair value spreads are then compared with current market spreads, highlighting bonds with higher estimated spreads and calculating their expected returns. To mitigate tail risks, bonds and issuers are excluded from the universe if the Investment Manager deems them high-risk for a significant downgrade (dropping more than one notch on the rating scale). 2. Diversifying Risk: The Investment Manager utilises a risk model that evaluates the risk characteristics of individual bonds rather than sector-wide groups. This model captures systematic risks and idiosyncratic correlations (i.e. risks that are not correlated with larger macroeconomic factors) specific to individual bonds, recognising that issuers within the same sector can have varied business models, capital structures, and risk exposures. After estimating total returns for each bond, the risk model calculates their volatilities and uses bond-by-bond covariance (i.e. how bonds perform in relation to one another) to assess risk relationships, aiding in constructing the optimal portfolio. 3. Portfolio Construction: The final phase involves constructing the most efficient portfolio from the identified opportunities, considering risk diversification and the Fund's objectives. The Investment Manager uses an optimisation model to integrate security selection as described in the first key process above and bond-specific risk management as described in the second key process above. The optimisation model combines the expected return from the fair value analysis with the proprietary risk model seeking to deliver robust risk-adjusted returns efficiently and at scale. Liquidity analysis is incorporated to account for transaction costs, ensuring trades are recommended only when expected returns exceed these costs. ***Description of the Benchmark*** The Benchmark provides a comprehensive representation of the US dollar-denominated, investment grade, fixed-rate corporate bond market, as defined by Bloomberg. The index includes securities issued by industrial, utility, and financial companies that meet specified eligibility criteria relating to credit quality, maturity, and liquidity. The Benchmark reflects both price movements and income derived from interest payments, offering a complete measure of the performance of US investment grade corporate bonds. Further information can be found at www.bloomberg.com. The Fund is actively managed in reference to the Benchmark. The Fund's investment universe is a broad 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.

Investment Policy	
	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 60% 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 of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio 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 issuer 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. In addition, the Fund promotes these characteristics by investing at least 10% of its assets in sustainable investments, which are issuers assessed and scored by SustainEx™ as making a positive contribution to Planet or People or are classified as a green, social and/ or sustainable bond. A bond is considered to be sustainable if either the issuer itself or the activity funded by the proceeds of the bond makes a positive contribution to the environment and/or society, namely by contributing to climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and/or affordable housing projects. *Exclusions and Integration of ESG Risk factors* The Investment Manager excludes issuers with exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging (such as egregious violations of human rights and/or demonstrating gross misconduct). The Investment Manager also integrates environmental, social and governance (ESG) factors when selecting investments for the Fund to seek to ensure issuers have an appropriate risk profile. The Investment Manager seeks to invest in issuers it considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers which is determined through use of issuer level ESG assessments. These assessments, which are refreshed at least quarterly or more frequently as determined by market events or news flows, rate issuers on a scale from A to D and includes forward-looking direction ratings that identifies stable, improving or deteriorating sustainability characteristics. The classification is as follows: A – meets best practice in relation to all/nearly of the sustainability characteristics applicable to the relevant issuer B – meets best practice in relation to some of the sustainability characteristics applicable to the relevant issuer C – behind best practice in relation to some of the sustainability characteristics applicable to the relevant issuer D – Behind best practice in relation to many of the sustainability characteristics applicable to the relevant issuer. Regarding forward-looking direction ratings, the classification is as follows: Improving – material positive changes are expected in relation to several sustainability characteristics over the next 12-24 months Stable – do not expect significant changes in sustainability characteristics in the next 12-24 months Declining – sustainability characteristics are expected to deteriorate in the next 12-36 months.

Investment Policy	
	In the event an issuer is downgraded below the rating deemed appropriate for investment by the Fund, the Investment Manager will divest the Fund's investment in that issuer taking into account the interests of Shareholders. The primary sources of information to identify issuer with appropriate ESG credentials are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Dealing in Shares in the Fund	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	USD
Minimum Subscription Amount	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.
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.
Initial Offer Period	Beginning at 9.00 am (Irish time) on 31 July 2026 and terminating at 5.00 pm (Irish time) on 29 January 2027 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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. 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.
Trade Cut-Off Time	15:00 (UK time) on the relevant 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.

Dealing in Shares in the Fund	
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	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).
Distribution Frequency	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.
Conversions of Shares	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	
Fees and Expenses	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 0.25% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Valuation	The Net Asset Value per Share is calculated in accordance with the "**Determination of Net Asset Value**" section of the Prospectus, using the constituent pricing of the Fund's Benchmark.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
Index disclaimer	"Bloomberg®" and the Bloomberg indices listed herein (the "Indices") are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg"), and have been licensed for use for certain purposes by the distributor hereof (the "Licensee"). The financial products named herein (the "Products") are not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the Products or any member of the public regarding the advisability of investing in securities or commodities generally or in the Product particularly. The only relationship of Bloomberg to Licensee is the licensing of certain trademarks, trade names and service marks and of the Indices, which are determined, composed and calculated by BISL without regard to Licensee or the Products. Bloomberg has no obligation to take the needs of Licensee or the owners of the Products into consideration in determining, composing or calculating the Indices. Bloomberg is not responsible for and has not participated in the determination of the timing, price, or quantities of the Products to be issued. Bloomberg shall not have any obligation or liability, including, without limitation, to customers of the Products, in connection with the administration, marketing or trading of the Products. BLOOMBERG DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDICES OR ANY DATA RELATED THERETO AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. BLOOMBERG DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDICES OR ANY DATA RELATED THERETO. BLOOMBERG DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDICES OR ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, TO THE MAXIMUM EXTENT ALLOWED BY LAW, BLOOMBERG, ITS LICENSORS, AND ITS AND THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, AGENTS, SUPPLIERS, AND VENDORS SHALL HAVE NO LIABILITY OR RESPONSIBILITY WHATSOEVER FOR ANY INJURY OR DAMAGES—WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR OTHERWISE—ARISING IN CONNECTION WITH THE PRODUCT OR INDICES OR ANY DATA OR VALUES RELATING THERETO—WHETHER ARISING FROM THEIR NEGLIGENCE OR OTHERWISE, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

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	Inc
Schroder USD Investment Grade Corporate Bond 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	Inc
Schroder USD Investment Grade Corporate Bond 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 USD Investment Grade Corporate Bond Active UCITS ETF**

Legal entity identifier: **636700FWTSZDENEZLD11**

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?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 60% 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 Bloomberg US Corporate Total Return Index (the "Benchmark").

The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio 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 10% of its assets in sustainable investments, which are issuers assessed and scored by SustainEx™ as making a positive contribution to Planet or People or are classified as a green, social and/ or sustainable bond. A bond is considered to be sustainable if either the issuer itself or the activity funded by the proceeds of the bond makes a positive contribution to the environment and/or society. Green bonds finance environmental projects such as renewable energy, energy efficiency, clean transportation; social bonds finance social projects such as affordable housing, healthcare, food security; and sustainability bonds finance both environmental and social projects such as bonds linked to the United Nations Sustainable Development Goals.

SustainEx™ produces an assessment of an issuer'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 issuer. 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). For companies, the overall score is measured relative to the revenue a company generates from its products and services (the company's sales) so, if a company scores +1%, this means that for every £100 sales the company generates, it would provide a positive contribution to people and/or the planet of £1. For sovereigns, the score is measured relative to its gross domestic product (GDP). If a sovereign scores +1%, this means that for every £100 of GDP the sovereign generates, it would provide a positive contribution to people and/or the planet of £1.

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 (i) the sustainability score of each asset in SustainEx™ and/or (ii) whether the asset is classified as a green, social and/ or sustainable bond and/or (iii) 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 10% 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 either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by SustainEx™ and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) 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 SustainEx™ are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

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.

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, the 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.

Any such company cannot be categorised as a sustainable investment.

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, accessed via 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?

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 as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuers' overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.

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 selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

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

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

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/.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct, 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.

- The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

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 fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

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

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 SustainEx™.

- The Fund invests at least 10% 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 fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

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

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.

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 60%. 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 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

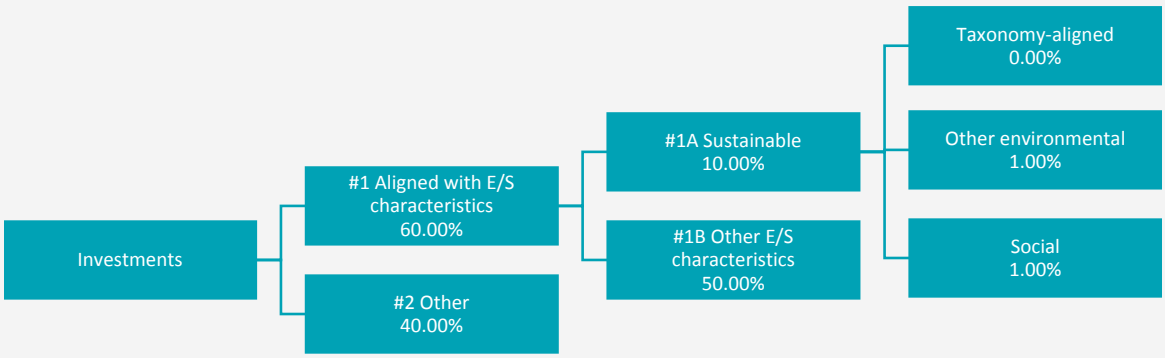
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by SustainEx™ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional

basis by the Investment Manager. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool 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 other 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 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool SustainEx™ which is one of the binding elements of the Fund. The Fund may use other 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 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.

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.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

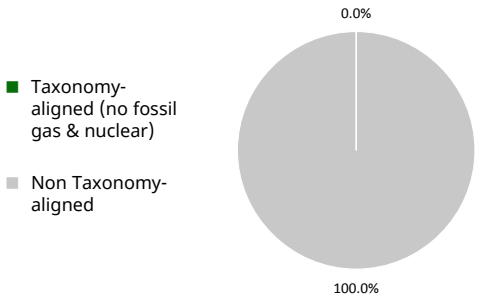
☐ In fossil gas ☐ In nuclear energy

☑ No

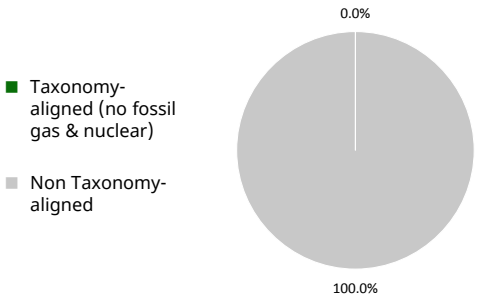
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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

Transitional activities are activities for which low-carbon

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.

[1] 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.

[2] 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.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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 10% 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 10%, 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 10% 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 10%, 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 other 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 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?

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

- ***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.

- ***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/.

SCHRODER ETFs ICAV

SUPPLEMENT

for

SCHRODER COCO FINANCIAL CREDIT ACTIVE UCITS ETF

(the "Fund")

DATED 30 July 2026

This Supplement forms part of, and should be read in conjunction with, the Prospectus dated 30 July 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.

Investment Objective	
Investment Objective	The Fund aims to provide income and capital growth in excess of the ICE BofAML Contingent Capital Index (Hedged to USD) after fees have been deducted over a three-to-five-year period by investing in fixed and floating rate securities issued by global financial institutions. **There can be no assurance that the Fund will achieve its investment objective.**

Investment Policy	
Investment Policy	The Fund is actively managed and invests at least two-thirds of its assets in contingent convertible bonds denominated in USD, EUR or GBP and issued by global financial institutions. The Fund's exposure to emerging markets will not exceed 20% of net assets. The Fund may invest up to 100% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) The Fund may invest up to one-third of its assets directly or indirectly in other types of fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide, equity securities denominated in various currencies and issued by companies worldwide, Eligible Collective Investment Schemes and money market investments. With the exception of permitted investments in unlisted securities, the fixed and floating rate securities will generally be traded or listed on a Regulated Market listed in Schedule 1 of the Prospectus. The Fund may invest in the following types of fixed and floating rate securities: *Covered bonds:* being debt securities issued by governments, agencies, authorities, instrumentalities or by private issuers or credit institution and backed by a separate pool of assets (comprising commercial and residential mortgages) that, in the case of failure by the issuer, can cover claims at any point in time; *Asset-backed securities:* which are issued or guaranteed by governments, agencies, authorities, instrumentalities or by private issuers or credit institutions (such as, asset-backed securities related to automobile loans). The asset-backed securities in which the Fund may invest do not include collateralised obligations; *Government and high quality corporate bonds:* being debt securities issued by governments, agencies, authorities, instrumentalities or by private corporate issuers or credit institutions; *Government and other public securities:* being debt securities issued or guaranteed by a government, or other public bodies, their agencies, authorities or instrumentalities (e.g. bonds, debentures and notes which may be secured or unsecured, such as treasury notes and promissory notes). In the case of unsecured notes, these will be issued by the US government or government agencies or non-US government agencies such as the European Investment Bank or International Bank for Reconstruction & Development. Such securities may be supported either by the full faith and credit of the government or public body, the right of the issuer to borrow from the government or public body, the discretionary authority of the government or public body to purchase the obligations or only the credit of the issuer; *Certain debenture stock and fixed and floating rate bonds:* being a form of registered participation in debt that is not subordinated and is issued by a credit institution.

Investment Policy	
	The Fund's investments in Eligible Collective Investment Schemes are subject to an aggregate limit of 10%. The Fund will invest in Eligible Collective Investment Schemes to gain access to securities which it is not possible or efficient to invest in directly and/or for cash management purposes. The Fund may invest in money market instruments for cash management purposes and may hold cash for this purpose. The money market instruments in which the Fund may invest are: *Cash and cash equivalents:* these include certificates of deposit, commercial paper, floating rate notes and short-dated government bonds. *Certain deposits with an Approved Bank:* being monies placed with an Approved Bank for safekeeping; and *Bills of exchange:* being short term negotiable financial instruments which are accepted by a credit institution. ***Use of Financial Derivative Instruments*** The Fund may use the following derivatives with the aim of reducing risk or managing the Fund more efficiently: FX forwards, futures and credit default swaps. The financial derivative instruments used by the Fund may be traded on an exchange or over the counter. A list of the Regulated Markets on which financial derivative instruments may be quoted or traded is set out in Schedule 1 of the Prospectus. ***Investment Strategy*** This strategy focuses on a pure bottom-up approach to corporate bonds, including bonds issued by financial institutions, aiming to build an efficient portfolio that delivers consistent risk-adjusted performance across market conditions. The investment process is designed to utilise in house credit research to better understand the fundamentals of the issuers in which the Fund may invest. This research is coupled with active relative value and portfolio construction decisions to manage the overall risk of the Fund and to identify where the most attractive opportunities are either regionally, between sub-sectors, or across different ratings profiles of issuers. The investment process is built around three key processes: Understanding the credits: The Investment Manager utilises a global team of credit research analysts who are experts in their sectors. The analysts perform rigorous analysis of financial models. They provide clear and transparent recommendations to provide a view on the fundamental credit trend as well as a relative value recommendation and a qualitative ESG assessment of every issuer under their coverage, looking at both the quality and its expected trend. These recommendations form the basis of the issuers and bonds that will be included in the Fund, along with the level of respective conviction and sizing. Understanding the market dynamics: The Investment Manager utilises global scorecards (which comprise the outputs of its proprietary views on the drivers of regional markets with a view to determine relative attractiveness and future expectations for markets) as well as quantitative models (which assess economic indicators to compare market returns) to understand the likely direction of global markets. This informs the level of risk tolerance at the total portfolio level, as well as considerations for asset allocation to geographies, ratings or overall credit risk. The Investment Manager considers the relative value dynamics between both the sub-components inside the ICE BofAML Contingent Capital Index (Hedged to USD) (the ""Benchmark"), as well as considerations for out of Benchmark investments. Portfolio Construction: The final phase involves constructing the most efficient portfolio from the identified opportunities, considering risk diversification and the Fund's objectives. The Investment Manager considers the analyst recommendations for individual bonds (described in 1, above), and combines this consideration with their top down assessment of systemic risks and opportunities (described in 2, above), sizing positions in line with the overall level of conviction. Liquidity analysis is incorporated to account for transaction costs, ensuring trades are recommended only when expected returns exceed these costs. ***Description of the Benchmark*** The Benchmark measures the performance of global contingent convertible securities, primarily Additional Tier 1 (AT1) instruments issued by banking institutions. It includes US dollar-, Euro-, and Sterling-denominated securities and is hedged to USD, thereby minimising the impact of currency fluctuations. Further information can be found at www.theice.com. The Fund is actively managed in reference to the Benchmark. The Fund will vary in composition, risk and return from the Benchmark. The Fund may buy securities that are not included in 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:

Investment Policy	
	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 60% 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 of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio 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 issuer 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. In addition, the Fund promotes these characteristics by investing at least 10% of its assets in sustainable investments, which are issuers assessed and scored by SustainEx™ as making a positive contribution to Planet or People or are classified as a green, social and/ or sustainable bond. A bond is considered to be sustainable if either the issuer itself or the activity funded by the proceeds of the bond makes a positive contribution to the environment and/or society, namely by contributing to climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and/or affordable housing projects. *Exclusions and Integration of ESG Risk factors* The Investment Manager excludes issuers with exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging (such as egregious violations of human rights and/or demonstrating gross misconduct). The Investment Manager also integrates environmental, social and governance (ESG) factors when selecting investments for the Fund to seek to ensure issuers have an appropriate risk profile. The Investment Manager seeks to invest in issuers it considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers which is determined through use of issuer level ESG assessments. These assessments, which are refreshed at least quarterly or more frequently as determined by market events or news flows, rate issuers on a scale from A to D and includes forward-looking direction ratings that identifies stable, improving or deteriorating sustainability characteristics. The classification is as follows: A – meets best practice in relation to all/nearly of the sustainability characteristics applicable to the relevant issuer B – meets best practice in relation to some of the sustainability characteristics applicable to the relevant issuer C – behind best practice in relation to some of the sustainability characteristics applicable to the relevant issuer D – Behind best practice in relation to many of the sustainability characteristics applicable to the relevant issuer. Regarding forward-looking direction ratings, the classification is as follows: Improving – material positive changes are expected in relation to several sustainability characteristics over the next 12-24 months Stable – do not expect significant changes in sustainability characteristics in the next 12-24 months Declining – sustainability characteristics are expected to deteriorate in the next 12-36 months. In the event an issuer is downgraded below the rating deemed appropriate for investment by the Fund, the Investment Manager will divest the Fund's investment in that issuer taking into account the interests of Shareholders.

Investment Policy	
	The primary sources of information to identify issuer with appropriate ESG credentials are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material. 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: https://www.schroders.com/en/global/individual/sustainability/active-ownership/. *Taxonomy Regulation* 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. **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.**
Profile of a Typical Investor	The Fund is intended for professional investors and informed and advanced retail investors who are able to understand the Fund's strategy, characteristics, and risks in order to make an informed investment decision. Basic retail investors are in the Fund's negative target market and accordingly the Fund is not available for investment by basic retail investors.

Dealing in Shares in the Fund	
Classes of Shares	The classes of Shares available in the Fund can be found in Appendix I under the heading "Classes of Shares". 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.
Base Currency	USD
Minimum Subscription Amount	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.
Subscription Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of subscription fees for the Fund.
Minimum Redemption Amount	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.
Redemption Fee	0.00%. Authorised Participants should refer to the electronic order entry facility for details of redemption fees for the Fund.
Initial Offer Period	Beginning at 9.00 am (Irish time) on 31 July 2026 and terminating at 5.00 pm (Irish time) on 29 January 2027 in respect of each class of Shares which is not yet launched as at the date of this Supplement.
Initial Offer Price	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.).
Business Day	Each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
Dealing Day	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. 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.
Trade Cut-Off Time	15:00 (UK time) on the relevant 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.
Valuation Point	Close of business on the market that closes last on the relevant Business Day and on which the relevant security or investment is traded.
Settlement Time	In respect of subscriptions, one Business Day after the relevant Dealing Day (unless otherwise stipulated by the Manager or its delegate).

Dealing in Shares in the Fund	
	In respect of redemptions, two Business Days after the relevant Dealing Day (unless otherwise agreed with the Manager or its delegate).
Distribution Frequency	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.
Conversions of Shares	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	
Fees and Expenses	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 0.45% 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 "**Fees, Costs and Expenses**" in the Prospectus.
Valuation	The Net Asset Value per Share is calculated in accordance with the "**Determination of Net Asset Value**" section of the Prospectus, using the constituent pricing of the Fund's Benchmark.
Risk Factors	Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.
Risk Management	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 ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.
Relevant Stock Exchanges	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.
Index disclaimer	ICE BofAML Contingent Capital Index (Hedged to USD) (THE "INDEX") IS A PRODUCT OF ICE DATA INDICES, LLC ("ICEDATA") AND IS USED WITH PERMISSION. ICE® IS A REGISTERED TRADEMARK OF ICE DATA OR ITS AFFILIATES. BOFA® IS A REGISTERED TRADEMARK OF BANK OF AMERICA CORPORATION LICENSED BY BANK OF AMERICA CORPORATION AND ITS AFFILIATES ("BOFA") AND MAY NOT BE USED WITHOUT BOFA'S PRIOR WRITTEN APPROVAL. ICE DATA, ITS AFFILIATES, AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES NOR THEIR RESPECTIVETHIRD PARTY SUPPLIERS SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND YOUR USE IS AT YOUR OWN RISK. INCLUSION OF A SECURITY WITHIN AN INDEX IS NOT A RECOMMENDATION BY ICE DATA TO BUY, SELL, OR HOLD SUCH SECURITY, NOR IS IT CONSIDERED TO BE INVESTMENT ADVICE. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DO NOT SPONSOR, ENDORSE, OR RECOMMEND Schroder Investment Management Limited, OR ANY OF ITS PRODUCTS OR SERVICES.

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	Inc
Schroder CoCo Financial Credit 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	Inc
Schroder CoCo Financial Credit 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 CoCo Financial Credit Active UCITS ETF**

Legal entity identifier: **636700BPSOPTX66C4S34**

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?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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 60% 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 ICE BofAML Contingent Capital Index (Hedged to USD) (the "Benchmark").

The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio 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 10% of its assets in sustainable investments, which are issuers assessed and scored by SustainEx™ as making a positive contribution to Planet or People or are classified as a green, social and/ or sustainable bond. A bond is considered to be sustainable if either the issuer itself or the activity funded by the proceeds of the bond makes a positive contribution to the environment and/or society. Green bonds finance environmental projects such as renewable energy, energy efficiency, clean transportation; social bonds finance social projects such as affordable housing, healthcare, food security; and sustainability bonds finance both environmental and social projects such as bonds linked to the United Nations Sustainable Development Goals.

SustainEx™ produces an assessment of an issuer'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 issuer. 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). For companies, the overall score is measured relative to the revenue a company generates from its products and services (the company's sales) so, if a company scores +1%, this means that for every £100 sales the company generates, it would provide a positive contribution to people and/or the planet of £1. For sovereigns, the score is measured relative to its gross domestic product (GDP). If a sovereign scores +1%, this means that for every £100 of GDP the sovereign generates, it would provide a positive contribution to people and/or the planet of £1.

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 (i) the sustainability score of each asset in SustainEx™ and/or (ii) whether the asset is classified as a green, social and/ or sustainable bond and/or (iii) 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 10% 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 either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by SustainEx™ and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) 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 SustainEx™ are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

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.

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, the 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.

Any such company cannot be categorised as a sustainable investment.

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, accessed via 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?

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 as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuers' overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.

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 selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

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

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

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/.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct, 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.

- The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

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 fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

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

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 SustainEx™.

- The Fund invests at least 10% 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 fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

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

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.

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 60%. 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 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

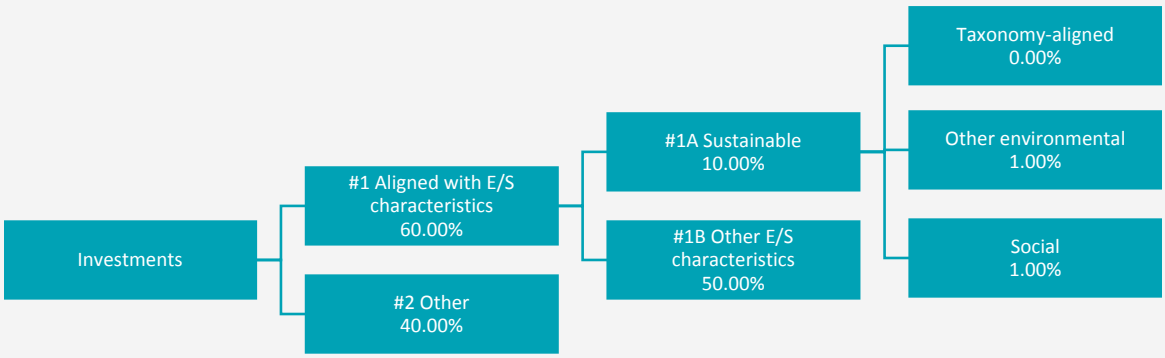
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by SustainEx™ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional

basis by the Investment Manager. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment scored by Schroders' proprietary tool 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 other 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 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 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool SustainEx™ which is one of the binding elements of the Fund. The Fund may use other 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 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.

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.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

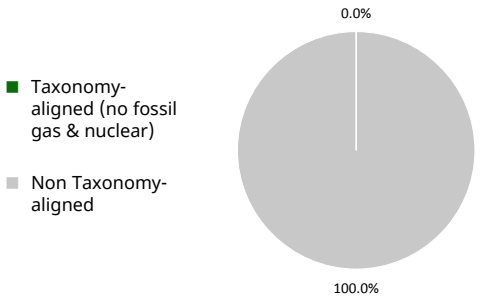
☐ In fossil gas ☐ In nuclear energy

☑ No

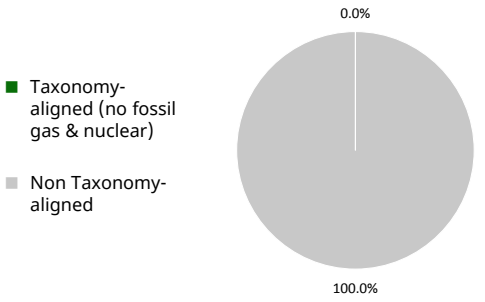
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**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

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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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

Transitional activities are activities for which low-carbon

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.

[1] 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.

[2] 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.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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 10% 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 10%, 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 10% 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 10%, 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 other 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 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?

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

- ***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.

- ***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/.