

Schroder MM Managed Portfolio Fund

Proposal for the Scheme of Arrangement for the merger of the Schroder MM Managed Portfolio Fund into the Schroder MM Diversity Balanced Fund

This document is important and requires your immediate attention



Schroders

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If there is anything in this document that you do not understand or if you are in any doubt as to what action to take, you should consult your professional adviser.

Notice of a meeting of Shareholders of the Schroder MM Managed Portfolio Fund is set out at the end of this document. The meeting is to be held at 9:00 a.m. on 10 October 2014 at 31 Gresham Street, London EC2V 7QA.

You are requested to complete and return the enclosed form of proxy in accordance with the instructions printed on it, in the prepaid envelope provided, to arrive no later than 9.00 a.m. on 8 October 2014.

Copies of this document may be obtained from us by contacting Schroder Investor Services, PO Box 1102, Chelmsford CM99 2XX (Tel: 0800 718 777 Fax: 0870 043 4080) or can be downloaded direct from our website www.schroders.co.uk/fundchanges.

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Glossary of terms

Defined terms shall be as defined below or otherwise as defined in the prospectus of the Schroder MM Managed Portfolio Fund.

| | |
|---------------------------------|---|
| ACD | Schroder Unit Trusts Limited, as the authorised corporate director of Schroder MM Managed Portfolio Fund (and the manager of the Schroder MM Diversity Balanced Fund); |
| COLL | the Collective Investment Schemes Sourcebook, as amended from time to time and forming part of the FCA Rules; |
| Company | Schroder Investment Fund Company, of which Schroder MM Managed Portfolio Fund is a sub-fund; |
| Depository | J.P. Morgan Europe Limited, as the depository of the Schroder MM Managed Portfolio Fund (and trustee of the Schroder MM Diversity Balanced Fund); |
| Effective Date | 17 October 2014, assuming Shareholder approval is obtained at the meeting of Shareholders in the Schroder MM Managed Portfolio Fund, or if such approval is not achieved then the date of any Shareholder approval at any subsequent reconvened Shareholder meeting, or such subsequent date and time as may be agreed in writing between the Depository and the ACD; |
| Effective Time | 12:01 pm on the Effective Date; |
| Extraordinary Resolution | an extraordinary resolution of the Shareholders in the Schroder MM Managed Portfolio Fund required to approve the implementation of the Scheme; |
| FCA | the Financial Conduct Authority; |
| FCA Rules | the FCA's Handbook of Rules and Guidance; |
| Merging Fund | Schroder MM Managed Portfolio Fund; |
| Manager | Schroder Unit Trusts Limited, as manager of the Schroder MM Diversity Balanced Fund (and the ACD of the Schroder MM Managed Portfolio Fund); |
| New Units | new units in the Schroder MM Diversity Balanced Fund to be issued following implementation of the merger of the Schroder MM Managed Portfolio Fund under the Scheme; |
| Non-UCITS Retail Scheme | An FCA authorised fund which is not a UCITS scheme; |
| Receiving Fund | Schroder MM Diversity Balanced Fund; |
| Retained Amount | a sum estimated by the ACD after consultation with the Depository, to be necessary to meet all the actual and contingent liabilities of the Schroder MM Managed Portfolio Fund and which is to be retained by the Depository as attributable to the Schroder MM Managed Portfolio Fund for the purpose of discharging such liabilities; |
| Scheme or Scheme of Arrangement | the scheme of arrangement for the merger of the Schroder MM Managed Portfolio Fund into the Schroder MM Diversity Balanced Fund as set out in Appendix 3 to this document; |

| | |
|---|---|
| Schroder MM Diversity Balanced Fund Value | the value of the property of the Schroder MM Diversity Balanced Fund calculated on a mid-market basis, in accordance with COLL and the Trust Deed as at 12:00 noon on the Effective Date; |
| Schroder MM Managed Portfolio Fund Value | the value of the property of the Schroder MM Managed Portfolio Fund (excluding the income and the Retained Amount); |
| Share | a share in the Schroder MM Managed Portfolio Fund; |
| Shareholder | a holder of Shares in the Schroder MM Managed Portfolio Fund; |
| Trustee | J.P. Morgan Europe Limited, as trustee of the Schroder MM Diversity Balanced Fund (and the depositary of the Schroder MM Managed Portfolio Fund); |
| UCITS | an “undertaking for collective investment in transferable securities” within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive; |
| UCITS Directive | Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS; |
| Unit | a unit in the Schroder MM Diversity Balanced Fund; |
| Unitholder | a holder of units in the Schroder MM Diversity Balanced Fund. |

Expected Timetable for the Proposed Merger

| | |
|---|--|
| Despatch circular to Shareholders | 17 September 2014 |
| Last date and time for receipt of forms of proxy | 9:00 a.m. on 8 October 2014 |
| Meeting of Shareholders | 9.00 a.m. on 10 October 2014 |
| Last day which valid instruction to buy Shares in the Schroder MM Managed Portfolio Fund may be received | 12:00 noon on 17 September 2014 |
| If the Extraordinary Resolution is passed | |
| Last day which valid instruction to sell Shares in the Schroder MM Managed Portfolio Fund may be received | by 12:00 noon on 15 October 2014 |
| Last dealing of Shares in the Schroder MM Managed Portfolio Fund | 12:00 noon on 15 October 2014 |
| Valuation of the assets of the Schroder MM Managed Portfolio Fund and the Schroder MM Diversity Balanced Fund | 12:00 noon on 17 October 2014 |
| Effective Date and time of merger | 12:01 p.m. on 17 October 2014 |
| First dealing of New Units in the Schroder MM Diversity Balanced Fund | 20 October 2014 |

Schroder Unit Trusts Limited

Registered No. 04191730
31 Gresham Street
London
EC2V 7QA

Telephone: 0800 718 777 Fax: 0870 043 4080

Authorised and regulated by the Financial Conduct Authority (FCA).

17 September 2014

To the Shareholders of the Schroder MM Managed Portfolio Fund

Dear Shareholder

Proposed Scheme of Arrangement relating to the merger of the Schroder MM Managed Portfolio Fund with the Schroder MM Diversity Balanced Fund

We, Schroder Unit Trusts Limited, are writing to you as the ACD of the Schroder MM Managed Portfolio Fund (a sub-fund of Schroder Investment Fund Company) to inform you of a proposal to merge the Schroder MM Managed Portfolio Fund into the Schroder MM Diversity Balanced Fund (an FCA authorised unit trust) by way of a Scheme of Arrangement. You will have the opportunity to vote on the proposal.

This letter explains the reason for, and the details of, the proposed Scheme of Arrangement. The Scheme of Arrangement requires the approval of an Extraordinary Resolution passed at an extraordinary general meeting of the Shareholders of the Schroder MM Managed Portfolio Fund to be held on 10 October 2014 at 31 Gresham Street, London, EC2V 7QA. If you are a Shareholder on 17 September 2014 you will be entitled to vote at this meeting either in person or by completing the enclosed form of proxy and posting it to Schroder Administration Centre, DST 15 Rolling Mill Road, Jarrow, NE32 3DE whether or not you intend to be present at the meeting. Please consider the proposal carefully and return the enclosed form of proxy to us no later than 48 hours before the time of the meeting.

A summary of the Scheme of Arrangement by which the merger will be effected is set out in Appendix 3 to this letter. The Notice convening the extraordinary general meeting of Shareholders in the Schroder MM Managed Portfolio Fund is set out in Appendix 5.

The costs of the Scheme of Arrangement (except as described in Section 7 below entitled "Costs and expenses") will be borne by us and will not be charged to the Schroder MM Managed Portfolio Fund or the Schroder MM Diversity Balanced Fund.

1. Reasons for the proposed merger

Schroders Group plc (of which we are a wholly owned subsidiary) acquired Cazenove Capital Holdings Limited (Cazenove Capital) in July 2013 and in March 2014 the Cazenove Capital UK fund range was integrated into Schroders' fund range. We noted at this time that we were looking to simplify the combined range through merging some of the funds. Following a review of our funds we have now decided that the Schroder MM Managed Portfolio Fund should be merged by way of a Scheme of Arrangement into the Schroder MM Diversity Balanced Fund.

We consider that the merging of the Schroder MM Managed Portfolio Fund into the Schroder MM Diversity Balanced Fund is in the interest of Shareholders of the Schroder MM Managed Portfolio Fund. The merger will provide A class and Z class Shareholders in Schroder MM Managed Portfolio Fund with the benefit of lower annual management charges and, more generally, there will be economies of scale brought about through the management of a larger pool of assets. The net asset value of the combined portfolios will be approximately £250 million and, consequently, we believe there will be a reduction in expenses. We anticipate that the merger will lead to a lower Ongoing Charge in which Shareholders in the Schroder MM Managed Portfolio Fund will benefit. A comparison of the relative ongoing charge rates can be found in Appendix 1: Part A.

If the Scheme of Arrangement is approved, Shareholders in the Schroder MM Managed Portfolio Fund will receive units of the same class and type in Schroder MM Diversity Balanced Fund type (with the exception of holders of C class Shares who will receive A class Units).

2. Comparisons of fund structures and each fund's investment objective and policy

The legal structures of the Schroder MM Managed Portfolio Fund and the Schroder MM Diversity Balanced Fund are different. Whereas the Schroder MM Managed Portfolio

Fund is a sub-fund of an open-ended investment company (OEIC), the Schroder MM Diversity Balanced Fund is an authorised unit trust and for the purpose of COLL is a non-UCITS retail scheme.

A unit trust issues units instead of shares although, like the shares of an OEIC, the price of these units is based upon the value of a fund's assets. Instead of an ACD, a unit trust has a Manager and instead of a depositary it has a trustee. However, despite the different names the manager and the trustee have very similar responsibilities to the ACD and the depositary. Like an OEIC, a unit trust can be either a single fund or it may be structured as an umbrella unit trust with a number of different sub-funds, each with its own portfolio of underlying assets.

The Schroder MM Diversity Balanced Fund is a standalone unit trust which is a non-UCITS retail scheme. The investment and borrowing powers of these types of schemes are wider than those for a UCITS fund whilst still aiming to provide a prudent spread of risk. Consequently, such schemes can be less diversified than a UCITS and there are higher investment limits for certain types of asset. A non-UCITS retail scheme can also invest in assets which are not available to UCITS schemes. This can increase the potential returns but can also increase risk.

Although the investment rules that the Schroder MM Diversity Balanced Fund follows are slightly less stringent than those applying to the Schroder MM Managed Portfolio Fund, the two funds are managed in the same way and have very similar portfolios. Accordingly, we believe that the differences in fund structures is not materially important in this instance.

A table setting out the principal differences between the legal structures can be found in Part B of Appendix I.

Investment Objective and Policy

Both the Schroder MM Managed Portfolio Fund and the Schroder MM Diversity Balanced Fund invest in a diversified multi-asset portfolio of funds that invest in shares and bonds of companies in the UK and worldwide, government bonds and other fixed income securities. Both funds aim to deliver long-term capital growth whilst providing a moderate income.

The investment objective and policy for each fund can be found in Part A of Appendix I, along with other relevant information, including each fund's current distribution yield, ongoing charges and cumulative performance over 1 year, 3 years and 5 years. For full details of the Schroder MM Managed Portfolio Fund please refer to the Schroder Investment Fund Company prospectus and for the Schroder MM Diversity Balanced Fund please refer to the Schroder Multi-Manager Fund prospectus, both of which are available at www.schroders.co.uk.

Charges to capital

The Schroder MM Managed Portfolio Fund currently allocates the annual management charge to income whereas the Schroder MM Diversity Balanced Fund allocates the charge to capital. The charging of the annual management charge against the capital of the fund rather than income will enhance income returns but will constrain future capital growth and/or result in an erosion of capital.

Share and unit classes

The Schroder MM Managed Portfolio Fund and the Schroder MM Diversity Balanced Fund have both A class accumulation and Z class accumulation units/shares. If the Scheme of Arrangement is approved, holders of these shares will receive units of the same class and type in Schroder MM Diversity Balanced Fund on the Effective Date. Holders of C class income and accumulation Shares in the Schroder MM Managed Portfolio Fund will receive A class income and A class accumulation Units respectively.

Holders of A class Shares and Z class Shares in the Schroder MM Managed Portfolio Fund will benefit from the lower annual management charge if the Scheme of Arrangement is effected. Holders of these shares currently pay an annual management charge of 1.25 per cent and 0.75 per cent respectively. A class Units and Z class Units in the Schroder MM Diversity Balanced Fund currently pay an annual management charge of 1.0 per cent and 0.50 per cent respectively. There is no initial charge on the purchase of units in the Schroder MM Diversity Balanced Fund. A comparison of the annual management charges for each unit and share class of each fund can be found in Appendix 1: Part A.

3. Accounting dates and income allocation

The Schroder MM Managed Portfolio Fund has different accounting and distribution dates to the Schroder MM Diversity Balanced Fund. A comparison of the different dates is set out in Appendix 1: Part A.

The annual accounting period of the Schroder MM Managed Portfolio Fund currently ends on 31 December in each year and the interim accounting period ends on 30 June. The annual accounting period of the Schroder MM Diversity Balanced Fund currently ends on 28 February in each year and the interim accounting period ends on 31 August.

After the merger, the first annual accounting date in respect of the Schroder MM Diversity Balanced Fund will be 28 February 2015 and the first annual report and accounts will be issued in April 2015.

In order to simplify the merger process, the current accounting period will end at 12:00 noon on the Effective Date and an additional distribution will take place. This means that any income from the end of the previous accounting period to the Effective date will be stripped out prior to the merger taking effect. Income for this period will be allocated in respect of income Units and distributed within two months of the Effective Date. For accumulation units the, income will be transferred to the capital account

¹ongoing charges' are payments deducted from the assets of a fund and included the annual management charge, trustee or depositary fees, and fund accounting costs. The ongoing charge figure is based on the annual total of all such payments and is expressed as a percentage of total assets of the relevant unit or share class.

and reflected in the value of accumulation units to be issued in the Schroder MM Diversity Balanced Fund.

Any income paid to holders of both income and accumulation Units will be within the charge to UK taxation and as such will be subject to UK tax.

Following the merger, the Depositary shall proceed to terminate the Schroder MM Managed Portfolio Fund in accordance with the terms of its prospectus, the instrument of incorporation and the COLL Sourcebook. Termination accounts will be available on request.

If on completion of the termination there is surplus cash it will be transferred to the Schroder MM Diversity Balanced Fund or be paid by the Manager. No further distribution or issue of units shall be made as a result. If there is a shortfall then this will be paid out of the Schroder MM Diversity Balanced Fund or by Schroder Unit Trusts Limited.

4. Tax implications

Capital Gains Tax

Based on our understanding of current UK tax law applicable to UK resident tax payers and assuming that the tax clearance we have applied for from HM Revenue & Customs is granted, the exchange of Shares in the Schroder MM Managed Portfolio Fund for New Units in the Schroder MM Diversity Balanced Fund will not constitute a disposal of shares for capital gains tax purposes. Instead, your New Units will be deemed to have been acquired on the date you acquired Shares in the Schroder MM Managed Portfolio Fund for the same cost, and any tax you incur on the capital gains realised when you dispose of your New Units in the Schroder MM Diversity Balanced Fund will be calculated on this basis.

If you are in any doubt about your tax position, or you are not a UK resident, you should consult a professional tax adviser.

Stamp Duty

We will apply to HM Revenue & Customs Stamp Office for confirmation of our understanding that the proposed merger will not constitute an agreement to transfer any chargeable securities involved in the transaction, and therefore no charge to Stamp Duty or Stamp Duty Reserve Tax should arise. In the event that such confirmation is not given, any Stamp Duty or Stamp Duty Reserve Tax costs would be borne by the Schroder MM Diversity Balanced Fund in accordance with Section 7.

The above statements as to taxation are based on legislation and HM Revenue & Customs practice as known at the date of this letter. Levels and bases of, and reliefs from, taxation may change. They summarise the position for UK-resident investors generally. They do not cover the tax position of non-UK-resident Shareholders, nor cover liability to overseas taxes, nor apply to dealers in securities. Tax reliefs referred to are those currently available and their value depends on the individual circumstances of the investor. We do not accept liability should the tax legislation or HM Revenue & Customs practice or its interpretation change at any time. If you are in any doubt about how your taxation position may be affected, you should consult your professional adviser.

5. Mandates and other instructions

If you are a regular saver into the Schroder MM Managed Portfolio Fund, or there are other mandates or instructions which you have given us in relation to your Units in the Schroder MM Managed Portfolio Fund, then these mandates or instructions will automatically apply following the merger. If you do not want these mandates or instructions to be carried forward, please let us know before the Effective Date. You may, of course, change these mandates or instructions at any time.

If you do not wish to make a change to your existing regular savings mandate, then your last monthly investment in the Schroder MM Managed Portfolio Fund will be made on 10 October 2014, before the mandate carries forward to the Schroder MM Diversity Balanced Fund, following the merger.

6. Issue of Units under the merger

Under the proposal, Shareholders will receive the same type and class of Units in the Schroder MM Diversity Balanced Fund as the type and class of Shares they already hold in the Schroder MM Managed Portfolio Fund (other than for holders of C class income and accumulation Shares in the Schroder MM Managed Portfolio Fund who will receive A class income and A class accumulation Units in Schroder MM Diversity Balanced Fund), as a result of the transfer of the assets from the Schroder MM Managed Portfolio Fund on the terms set out in the Scheme of Arrangement. In each case New Units issued on the merger will be denominated in pence.

7. Costs and expenses

The costs and expenses of the proposed Scheme of Arrangement will be paid by Schroder Unit Trusts Limited, save as below.

The costs and expenses that will be paid by Schroder Unit Trusts Limited include the costs of preparing and implementing the merger, of convening and holding the Shareholder meeting and of terminating the Schroder MM Managed Portfolio Fund if the proposed merger is approved. Schroder Unit Trusts Limited will not seek reimbursement of such amounts from the property of the Schroder MM Managed Portfolio Fund.

The audit fee which is incurred from the merger date to the completion of the termination of the Schroder MM Managed Portfolio Fund will be paid by the Schroder MM Managed Portfolio Fund.

Costs incurred in respect of restructuring the portfolio of the Schroder MM Managed Portfolio Fund in preparation for the Scheme of Arrangement will be borne by the Schroder MM Managed Portfolio Fund.

Costs incurred in respect of restructuring the portfolio of the Schroder MM Diversity Balanced Fund after the Scheme of Arrangement has been implemented will be borne by that fund.

We expect that any costs arising from restructuring the portfolios of the funds either prior to and after the Scheme of Arrangement will be small given the considerable similarity of the portfolios of the Schroder MM Managed Portfolio Fund to the Schroder MM Diversity Balanced Fund

8. Consents and approvals

Details of the various consents and clearances which we have obtained and of the other documents available for inspection in connection with the merger proposal are set out in Appendix 4.

9. Your right to switch or exit

You are entitled to switch your Shares for shares in another sub-fund of Schroder Investment Fund Company or for units in another Schroder unit trust or you can sell your Shares in the Schroder MM Managed Portfolio Fund (free of any charge) at any time before 15 October 2014. No further purchases can be made in to the Schroder MM Managed Portfolio Fund after 17 September 2014. A valid instruction to switch or sell Shares in the Schroder MM Managed Portfolio Fund will be binding if received by 12:00 noon on 15 October 2014.

Please note that a switching or a sale of Shares on a non-ISA investment will be treated as a disposal for capital gains tax purposes. Details of our range of unit trusts and the sub-funds of open ended investment companies are set out in the relevant Schroder fund prospectuses which are available at www.schroders.co.uk or on request by telephoning 0800 718 777.

Instructions to switch or sell your Shares must be given in writing to Schroder Investor Services at PO Box 1102, Chelmsford CM99 2XX or by telephoning 0800 718 777, before 12:00 noon on 15 October 2014.

If the Extraordinary Resolution is approved, the Scheme of Arrangement will be implemented regardless of whether you voted for or against it, or voted at all. You are entitled to sell your New Units in the Schroder MM Diversity Balanced Fund after the Effective Date. Please note that the selling of your New Units in the Schroder MM Diversity Balanced Fund will also constitute a disposal for capital gains tax purposes.

10. Recommendation and action to be taken

We believe that the proposed merger of the Schroder MM Managed Portfolio Fund into the Schroder MM Diversity Balanced Fund is in the best interests of Shareholders and we recommend that you vote in favour of the proposal. To be passed, the Extraordinary Resolution requires a majority in favour of not less than 75 per cent. of the total number of votes validly cast, so it is important that you exercise your right to vote.

If the proposed merger is not approved by Shareholders of the Schroder MM Managed Portfolio Fund, the Schroder MM Managed Portfolio Fund will not be merged into the Schroder MM Diversity Balanced Fund and, for the time being at least, it will continue to be managed in its current form. Please note, however, that in these circumstances it is likely that we will review the on-going viability of the Schroder MM Managed Portfolio Fund and this may lead to us proposing further changes in due course.

Before you make your decision, we recommend that you read the rest of this proposal and, in particular, Appendix 1 as this contains important information about the differences between the Schroder MM Managed Portfolio Fund and the Schroder MM Diversity Balanced Fund, and how the merger (if effected) will impact you.

The results of the vote will be published on 10 October on our website at www.schroders.co.uk/fundchanges.

If you are unclear about any information provided or have any questions concerning the proposal, please contact Schroder Investor Services on: 0800 718 777. For your security and to improve the quality of our service, calls

may be recorded. Please be aware that we are not able to give you investment advice on the proposed merger. If you are uncertain as to how to respond to this document, you should consult your professional adviser.

Whether or not you intend to be present at the meeting **please complete and return the enclosed form of proxy in the prepaid envelope provided, to Schroder Administration Centre, DST, 15 Rolling Mill Road, Jarrow, NE32 3DE. It must arrive on or before 9:00 a.m. on 8 October 2014.** Return of the form of proxy will not preclude you from attending the meeting and voting in person if you so wish. In these circumstances, your form of proxy will be set aside and you should, if you wish, cast your votes when the poll is taken.

Yours faithfully



Robin Stoakley

Director
Schroder Unit Trusts Limited

Appendix 1

Part A

Comparison of the Schroder MM Managed Portfolio Fund and the Schroder MM Diversity Balanced Fund

| | Schroder MM Managed Portfolio Fund | Schroder MM Diversity Balanced Fund |
|--|---|--|
| Type of fund | UCITS | Non-UCITS Retail Scheme |
| Structure | Sub-fund of an umbrella Open-ended Investment Company (OEIC) | Authorised Unit Trust |
| Date of inception | The Schroder MM Managed Portfolio Fund was substantially restructured on 23 January 2009 from an equity based fund into a fund that primarily invests in collective investment schemes. | April 2012 |
| Fund size | £ 71million | £ 180million |
| Manager/Authorised Corporate Director | Schroder Unit Trusts Limited | Schroder Unit Trusts Limited |
| Trustee/Depositary | J.P. Morgan Europe Limited | J.P. Morgan Europe Limited |
| Fund Manager | Marcus Brookes and Team | Marcus Brookes and Team |
| Current Investment objective and policy | <p>The fund's investment objective is to deliver long term capital growth from a diversified portfolio of investments including equities, bonds, fixed interest, cash and any other permitted assets deemed appropriate to meet the investment objective. The fund will seek to achieve a moderate income.</p> <p>The fund will invest both in the United Kingdom and in overseas markets.</p> <p>The fund will invest primarily through authorised unit trusts, open-ended investment companies, exchange traded funds and other collective investment schemes. Where it is considered appropriate, the fund may also invest in closed-ended funds, individual transferable securities, money market instruments, deposits</p> | <p>The Schroder MM Diversity Balanced Fund seeks to deliver long term capital growth from exposure to a diversified portfolio of investments including equities, bonds, fixed interest and cash It will also aim to provide a moderate income. The fund will have exposure to both United Kingdom and overseas markets. It may seek to protect capital through active asset allocation and the use of derivatives where appropriate.</p> <p>The fund will invest in global markets through a diversified portfolio of collective investment schemes and exchange traded funds that invest in alternative asset classes including private equity, property and commodities. Investment may also be made in approved money market funds.</p> |

| | Schroder MM Managed Portfolio Fund | Schroder MM Diversity Balanced Fund |
|--------------------------------------|---|---|
| | <p>and/or other securities and instruments in which the fund may invest.</p> <p>The fund may seek investment diversification by obtaining exposure to alternative asset classes including hedge funds, private equity, property and commodities through investment in closed-ended funds and other securities and instruments in which the fund may invest.</p> <p>The fund may utilise derivatives for efficient portfolio management purposes and may seek to protect capital through active asset allocation and the use of derivatives where appropriate.</p> | <p>Although the investment policy of the fund is to invest mainly in collective investment schemes, the fund may also invest in closed-ended funds, individual transferable securities, money market instruments, deposits and cash or near cash.</p> <p>The fund may utilise derivatives and forward transactions for efficient portfolio management purposes.</p> |
| Risks | See attached Key Investor Information Document | See attached Key Investor Information Document |
| Currency of denomination | GBP | GBP |
| Relevant Unit/Share Class | A Accumulation C Accumulation and C Income Z Accumulation | A Accumulation and A Income Z Accumulation |
| Minimum Investment | A Shares £1,000 C Shares £25,000 Z Shares £1 million | A Units £1,000 Z Units £25,000 |
| Minimum subsequent investment | A Shares £500 C Shares £25,000 Z Shares £1 million | A Units £500 Z Units £25,000 |
| Initial Charge | Nil | Nil |

| | Schroder MM Managed Portfolio Fund | Schroder MM Diversity Balanced Fund |
|---|--|--|
| Annual Management Charge | A Shares 1.25% C Shares 1.0% Z Shares 0.75% | A Units 1.0% Z Units 0.50% N Units 1.25% |
| Annual Management Charge charged to: | Income | Capital |
| Ongoing Charge (OGC) Dated 31.03.14 | A Accumulation Shares 2.09 C Income Shares 1.84 C Accumulation Shares 1.84 Z Accumulation Shares 1.59 | A Income Units 1.74 A Accumulation Units 1.74 Z Income Units 1.24 Z Accumulation Units 1.24 |
| Annual Accounting Date | 31 December | 28 February |
| Half-Yearly Accounting Date | 30 June | 31 August |
| Income Allocation Dates | 28 February (Annual), 31 August | 30 April (Annual), 31 October |
| Pricing structure | Single priced | Single priced |
| Pricing frequency | Daily | Daily |
| Valuation Point | 12:00 noon | 12:00 noon |
| Distribution Yield Dated 31/03/14 | A Accumulation Shares 0.02 C Income Shares 0.13 C Accumulation Shares 0.13 Z Accumulation Shares 0.24 | A Income Units 0.55 A Accumulation Units 0.54 Z Income Units 0.53 Z Accumulation Units 0.49 |
| Benchmark | This Fund is not managed with reference to a financial index. | This Fund is not managed with reference to a financial index. |
| Cumulative Performance*** | 1 year 3.6% 3 years 30.4% 5 years 60.4% | 1 year 2.9% 3 years – 5 years – |

*As at 31/07/2014

** As at 31/07/2014, A class shares/units net income reinvested, net of the ongoing charges and portfolio costs. Schroder MM Diversity Balanced Fund launched on 2 April 2012.

Appendix 1

Part B

Comparison of the principal features of an OEIC and an authorised unit trust

| | OEIC | Authorised Unit Trust |
|--------------------------------------|---|--|
| Fund Structure | Open-ended investment company governed by an instrument of incorporation. | Unit trust governed by a trust deed made between a manager and a trustee. |
| Regulator and regulations | FCA authorised, governed by the OEIC Regulations, the instrument of incorporation and the COLL Sourcebook. | FCA authorised and governed by a trust deed the COLL Sourcebook. |
| Nature of investor's interest | Owners of shares in the OEIC rather than an interest in the underlying property. | Owners of units in the relevant unit trust which provide a beneficial interest in the underlying trust property. |
| Types of unit or shares | Different share classes permitted | Different unit classes permitted. |
| Management and administration | Authorised Corporate Director (authorised by the FCA). | Manager (authorised by the FCA). |
| Custody of assets | Independent depositary (authorised by the FCA). | Independent trustee (authorised by the FCA). |
| Taxation | A tax efficient investment vehicle in which a OEIC's underlying securities can be bought and sold free of capital gains tax (for a UK resident and domiciled shareholder, gains on shares are only taxable when the shares are sold). | A tax efficient investment vehicle in which a unit trust's underlying securities can be bought and sold free of capital gains tax (for a UK resident and domiciled unitholder, gains on units are only taxable when the units are sold). |

Appendix 2

Procedure for Shareholder meetings

1 Extraordinary Resolution of Unitholders

The notice convening the meeting of Shareholders of the Schroder MM Managed Portfolio Fund is set out in Appendix 5 of this document and sets out the Extraordinary Resolution to approve the merger. To be passed, the Extraordinary Resolution must receive the support of a majority of 75 per cent. of the total number of votes correctly cast.

2 Quorum and Voting Requirements

The quorum for the meeting is two Shareholders present in person or by proxy.

If a quorum is not present within 15 minutes after the time appointed for the start of the meeting, the meeting will be adjourned to a date not less than seven days following the meeting. Notice will be given of the adjourned meeting and, at that meeting, two Shareholders present in person or by proxy are required to constitute a quorum. However, this may be reduced to one Shareholder if a quorum is not present after a reasonable time. In the event of an adjourned meeting and unless instructions are received, forms of proxy received in respect of the first meeting will remain valid for the adjourned meeting.

The resolution will be proposed as an extraordinary resolution and must therefore be carried by a majority in favour of not less than 75 per cent. of the total number of votes correctly cast at the meeting. Persons who are Shareholders on the date seven days before the Notice is sent out, but excluding persons who are not Shareholders at the time of the relevant meeting, are entitled to vote. Once passed, the Extraordinary Resolution is binding on all Shareholders in the Schroder MM Managed Portfolio Fund.

In view of the importance of the proposals the chairman of the meeting will call for a poll to be taken in respect of the Extraordinary Resolution. On a poll, the voting rights for each unit are the proportion of the voting rights attached to all of the units in issue that the price of the unit bears to the aggregate price or prices of all of the units in issue at the date seven days before the notice of the meeting was sent out. A Shareholder is entitled to more than one vote on a poll and need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In order to avoid an adjournment, please complete and sign the enclosed form of proxy and return it as soon as possible in the enclosed prepaid envelope. Forms of proxy should arrive at the offices of Schroder Administration Centre, DST, 15 Rolling Mill Road, Jarrow, NE32 3DE, not later than 9.00 a.m. on 8 October 2014.

Return of a form of proxy will not preclude a Shareholder from attending the meeting if entitled to do so, nor from voting in person.

3. Joint Holders

In the case of joint holders, the vote of the senior holder on the register who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names stand on the register of Shareholders.

4. The ACD

The ACD is entitled to attend the meeting but shall not be entitled to vote or be counted in a quorum at the meeting, nor any adjournment. If the registered holder of any Shares is an associate of the ACD, that associate will only be

entitled to exercise the voting rights in respect of those Shares if the Shares are held by it jointly with or on behalf of a person who, if he himself was a registered holder, would be entitled to vote, and from whom voting instructions have been received. Associates of the ACD holding Shares are entitled to be counted in a quorum.

5. Chairman

The Depositary has nominated Paul Truscott or, failing him, Mike Champion, to be Chairman of the meeting and at any adjourned meeting. These nominees have indicated that, in view of the importance of the proposed Extraordinary Resolution, they will demand that a poll be taken.

The procedure for the meeting to approve the proposed changes, and details of the various consents and a list of the documents relating to the proposal which are available for inspection, are set out in Appendix 4.

Appendix 3

Scheme of arrangement for the merger of the Schroder MM Managed Portfolio Fund into the Schroder MM Diversity Balanced Fund

1. Definitions and interpretation

- 1.1 In this Scheme, unless the context otherwise requires, words and terms have the meanings set out in the Glossary of Terms at the beginning of this document.
- 1.2 In addition, where relevant in the context, terms which are defined in the FCA Rules shall have the same meaning in this Scheme.
- 1.3 References to paragraphs are to paragraphs of the Scheme.
- 1.4 If there is any conflict between the Scheme and the Instrument of Incorporation of the Company, of which the Schroder MM Managed Portfolio Fund is a sub-fund, the Instrument of Incorporation will prevail. If there is any conflict between the Scheme and the FCA Rules, then the FCA Rules will prevail.

2. Approval of Unitholders

- 2.1 The merger of the Schroder MM Managed Portfolio Fund with the Schroder MM Diversity Balanced Fund is conditional upon the passing of an Extraordinary Resolution at a meeting of Shareholders in the Schroder MM Managed Portfolio Fund, by which those Shareholders approve the Scheme and authorise the implementation of the merger of the Schroder MM Managed Portfolio Fund with the Schroder MM Diversity Balanced Fund.
- 2.2 You will be notified of the result of the vote on the Extraordinary Resolution for the Schroder MM Managed Portfolio Fund. If approved, the Scheme will be binding on all Shareholders in the Schroder MM Managed Portfolio Fund, whether or not they vote in favour of it or vote at all, and the conversion will be implemented as set out in the following paragraphs.

3. Last dealings in the Schroder MM Managed Portfolio Fund

- 3.1 The last day on which valid instructions to buy Shares in the Schroder MM Managed Portfolio Fund may be received is by 12:00 noon on 17 September 2014. The last day on which valid instructions to sell Shares in the Schroder MM Managed Portfolio Fund may be received by us is by 12:00 noon on 15 October 2014. Instructions received by post after that time will be held over until the first valuation point of the Schroder MM Diversity Balanced Fund following the Scheme of Arrangement, which will be at 12:00 noon on 10 October 2014. Instructions received by all other methods after that time will be returned, and a new instruction should be submitted for the first valuation point of the Schroder MM Diversity Balanced Fund on 20 October 2014.

4. Income allocation arrangements

- 4.1 Any distributions in respect of the Schroder MM Managed Portfolio Fund which are unclaimed for a period of six years from the original date of payment (together with any interest arising on such distributions as it accrues) shall be transferred by the administrator of the Schroder MM Managed Portfolio Fund and become part of the capital property of the Schroder MM Diversity Balanced Fund. The unclaimed distributions shall be held until the last distribution is claimed or until the expiry of six years from the original payment of the distributions, whichever is earlier.

5. Calculation of the value of the Merging Fund and the Receiving Fund.

- 5.1 The value of the Schroder MM Managed Portfolio Fund shall be calculated on a single mid-market basis as at 12:00 noon on the Effective Date less:

- 5.1.1 Income (if any) to be allocated to the Schroder MM Managed Portfolio Fund in respect of the current accounting period ending on the Effective Date; and
- 5.1.2 the Retained Amount.
- 5.2 The value of the Schroder MM Diversity Balanced Fund shall be the value of the income and capital property attributable to the Schroder MM Diversity Balanced Fund calculated on a mid-market basis in accordance with COLL as at 12:00 noon on the Effective Date.
- 5.3 These valuations shall be used in the calculation of the number of New Units in the Schroder MM Diversity Balanced Fund to be issued.
- 5.4 In the event that the value of the Schroder MM Managed Portfolio Fund and the Schroder MM Diversity Balanced Fund vary significantly between 12:00 noon on the Effective Date and the transfer of property and issue of New Units taking place (see paragraph 7 below) there will be a revaluation of the relevant fund(s).
- 6. Transfer of property and issue of New Units**
- As at and from 12:01 p.m. on the Effective Date:
- 6.1 The property of the Schroder MM Managed Portfolio Fund, less the Retained Amount and any income (the “Transferred Property”), will become the property of the Schroder MM Diversity Balanced Fund in exchange and full payment for the issue of New Units. The Depositary will cease to hold the Transferred Property as attributable to the Schroder MM Managed Portfolio Fund, less the retained amount, and will, in its capacity as trustee of the Schroder MM Diversity Balanced Fund, hold the Transferred Property as scheme property of the Schroder MM Diversity Balanced Fund. The Depositary, in its capacity as depositary of the Schroder MM Managed Portfolio Fund, will make or ensure the making of any transfers or re-designations which may be necessary as a result of its ceasing to hold the Transferred Property as the Depositary of the Schroder MM Managed Portfolio Fund.
- 6.2 The ACD in its capacity as the manager of the Schroder MM Diversity Balanced Fund will issue New Units in the Schroder MM Diversity Balanced Fund of the equivalent class and type to Shareholders (other than for holders of C class income and accumulation Shares in the Schroder MM Managed Portfolio Fund who will receive A class income and A class accumulation units in Schroder MM Diversity Balanced Fund) who are registered on the Effective Date as holding such Shares in the Schroder MM Managed Portfolio Fund on the basis set out in paragraph 7. Shareholders holding C class income Shares in the Schroder MM Managed Portfolio Fund who will receive A class income units in Schroder MM Diversity Balanced Fund. Shareholders holding A and C class accumulation Shares in the Schroder MM Managed Portfolio Fund will receive A class accumulation units in the Schroder MM Diversity Balanced Fund. Shareholders holding Z class accumulation Shares in the Schroder MM Managed Portfolio Fund will receive Z class accumulation units in the Schroder MM Diversity Balanced Fund.
- 6.3 All Shares in the Schroder MM Managed Portfolio Fund will be deemed to be cancelled and will cease to be of any value as at 12.02 p.m. on the Effective Date.
- 6.4 Shareholders will be treated as exchanging their Shares for New Units.
- 7. Basis for the issue of New Units**
- 7.1 New Units (including fractions of Units) of the equivalent class and type will be issued to each Shareholder invested in the Schroder MM Managed Portfolio Fund in proportion to that Shareholder’s individual entitlement to the Schroder MM Managed Portfolio Fund Value on the basis set out below.
- 7.2 The price of each unit to be issued in the Schroder MM Diversity Balanced Fund shall be the Schroder MM Diversity Balanced Fund Value, divided by the number of undivided units represented by units in issue in the Schroder MM Diversity Balanced Fund (not including the New Units to be issued under the Scheme) and multiplied by the number of undivided

units (including any fraction) represented by one Unit of the Schroder MM Diversity Balanced Fund as at 12:00 noon on the Effective Date.

- 7.3 New Units of the equivalent class and type as those held by Shareholders of the Schroder MM Managed Portfolio Fund on the Effective Date shall be created and issued in the Schroder MM Diversity Balanced Fund to the value of the Schroder MM Managed Portfolio Fund Value, in proportion to the number of undivided Units in the property of the Schroder MM Managed Portfolio Fund in issue at 12:00 noon on the Effective Date. New Units (including fractions of units) issued in the Schroder MM Diversity Balanced Fund shall be allocated among the Schroder MM Diversity Balanced Fund Unitholders in proportion to the number of undivided units in the property of the Schroder MM Diversity Balanced Fund represented by the respective units in the Schroder MM Diversity Balanced Fund held or deemed to be held by them at 12:01 p.m. on the Effective Date provided that the number of New Units to be issued to any Unitholder shall be rounded up to the nearest fraction at the expense of Schroder Unit Trusts Limited.

- 7.4 For the purposes of income equalisation, the value of New Units may contain an element of income, which represents the value of accrued income at the time of purchase for the relevant accounting period. On the first income allocation following the issue of the New Units, Shareholders will receive as part of their income allocation a capital sum representing that part of the value of the New Units, which represents the value of such accrued income.

8. Notification of the New Units issued under the Scheme of Arrangement

- 8.1 It is intended that Schroder Unit Trusts Limited, as the Trustee of the Schroder MM Diversity Balanced Fund, will notify each Unitholder who has participated in the merger of the number and class of New Units issued under the Scheme. This notification will be dispatched by the close of business within 14 days after the Effective Date by

first class post to the Unitholder's address appearing in the register of Unitholders of the Schroder MM Diversity Balanced Fund as at the Effective Date. Upon despatch of such notifications, any documentation confirming ownership of Shares in the Schroder MM Managed Portfolio Fund will cease to be valid. No certificates will be issued in respect of New Units.

- 8.2 Transfers or redemptions of New Units issued under the Scheme may be effected from the next business day after the Effective Date by telephoning Schroder Investor Services on 0800 718 777. Written transfer and redemption requests in respect of New Units can be made in writing to Schroder Investor Services at PO Box 1102, Chelmsford, CM99 2XX.

9. Termination of the Schroder MM Managed Portfolio Fund

Mandates and other instructions to the Manager of the Merging Fund in force on the Effective Date in respect of Units will be deemed to be effective in respect of New Units issued under the Scheme and in respect of other later acquired New Units, if relevant. These mandates or instructions may be changed at any time.

10. Termination of the Fund

- 10.1 If the Scheme is approved by Shareholders, the Schroder MM Managed Portfolio Fund will, following the merger, be terminated in accordance with the FCA Rules.
- 10.2 The Retained Amount (which will be made up of cash and other assets, if necessary) and any income arising on it will be used by the Depositary to pay any outstanding liabilities of the Schroder MM Managed Portfolio Fund in accordance with the directions and instructions of the ACD, the provisions of the Instrument of Incorporation and the FCA Rules. In providing such directions and/or instructions to the Depositary, the ACD, as ACD of the Schroder MM Managed Portfolio Fund, shall be responsible for ensuring that such directions and/or instructions comply at all times with the provisions of the trust deed and the FCA Rules.

10.3 If, on the completion of the termination of the Schroder MM Managed Portfolio Fund, there are any surplus moneys remaining in the Schroder MM Managed Portfolio Fund, the money, together with any income arising therefrom, shall be transferred to the Schroder MM Diversity Balanced Fund. No further issue of New Units will be made as a result.

10.4 If the Retained Amount is insufficient to discharge all the liabilities of the Schroder MM Managed Portfolio Fund, the Depositary, in its capacity as trustee of the Schroder MM Diversity Balanced Fund, will pay the amount of the shortfall out of the scheme property of the Schroder MM Diversity Balanced Fund in accordance with the directions and/or instructions of the ACD with the agreement of the Depositary (in its capacity as trustee of the Schroder MM Diversity Balanced Fund) and the FCA Rules, but otherwise such shortfall shall be discharged by the ACD.

10.5 On completion of the termination of the Schroder MM Managed Portfolio Fund, the Depositary (in its capacity as depositary of the Schroder MM Managed Portfolio Fund) will be discharged from all its obligations and liabilities in respect of the Schroder MM Managed Portfolio Fund, except those arising from a breach of duty before that time.

11. Costs, charges and expenses

11.1 The Depositary, in its capacity as depositary of the Schroder MM Managed Portfolio Fund, and the ACD will continue to receive their usual fees and expenses for being the depositary and the ACD respectively of the Schroder MM Managed Portfolio Fund out of the property of the Schroder MM Managed Portfolio Fund which accrue prior to, or, in the case of the Depositary, after, the Effective Date.

11.2 The costs of preparing and implementing the merger under the Scheme, including:

- (a) the costs of convening and holding the meeting of Shareholders (and any adjourned meeting);

- (b) any re-designation and registration fees;

- (c) taxes and duties (if any) on the transfer or re-designation of the Transferred Property;

- (d) the costs of termination of the Schroder MM Managed Portfolio Fund; and

- (e) the professional adviser's fees and expenses (including those of the Depositary) payable in connection with the merger and the Scheme;

will be paid by Schroder Unit Trusts Limited, not by Shareholders.

12. Register of Unitholders

12.1 The ACD and the Depositary, in its capacity as depositary of the Schroder MM Managed Portfolio Fund, shall be entitled to assume that all information contained in the register of Shareholders of the Schroder MM Managed Portfolio Fund on and immediately prior to the Effective Date is correct, and to utilise the same in calculating the number of New Units to be issued and registered pursuant to the Scheme.

12.2 The ACD and the Depositary, in its capacity as depositary of the Schroder MM Managed Portfolio Fund, may act and rely upon any certificate, opinion, evidence or information furnished to it by its professional advisers or by the auditors of the Schroder MM Managed Portfolio Fund in connection with the Scheme and shall not be liable or responsible for any resulting loss.

13. Alterations to the Scheme

13.1 The ACD, with the agreement of the Depositary, in its capacity as depositary of the Schroder MM Managed Portfolio Fund, may determine (in particular, in the event of an adjournment to the meeting of Shareholders to consider and vote on the Extraordinary Resolution) that the Effective Date of the merger is to be other than as set out in this document, in which case such consequential adjustments may

be made to the other elements in the timetable of the Scheme as the ACD considers appropriate.

13.2 The terms of the Scheme may be amended as determined by the ACD of the Schroder MM Managed Portfolio Fund and the Depositary, in its capacity as depositary of the Schroder MM Managed Portfolio Fund.

14. Governing law

The Scheme is governed by and shall be construed in accordance with the laws of England and Wales.

Dated: 17 September 2014.

Appendix 4

Consents and clearances

1. Depositary

In accordance with normal procedure, J.P. Morgan Europe Limited, as the depositary of the Schroder MM Managed Portfolio Fund and the trustee of the Schroder MM Diversity Balanced Fund, whilst expressing no opinion on the merits or demerits of the proposal, has informed us by letter that it considers that the Scheme of Arrangement is in a form suitable to be placed before Shareholders for their consideration and consents to the references made to it in this document in the form and context in which they appear. The confirmation is not a recommendation to vote for or against the Extraordinary Resolution, which is a matter for each shareholder's judgement.

2. The Financial Conduct Authority

The FCA has been notified of the proposed Scheme of Arrangement and has approved the proposal for the purpose of section 251 (4) (a) of the Financial Services and Markets Act.

3. HM Revenue & Customs

We have applied for HM Revenue & Customs for confirmation of our understanding that section 137 of the Taxation of Chargeable Gains Act 1992 should not apply to the merger under the Scheme of Arrangement and consequently section 136 of that Act may apply. Accordingly, the merger of the Schroder MM Managed Portfolio Fund into the Schroder MM Diversity Balanced Fund should not involve a disposal of Units in the Schroder MM Managed Portfolio Fund for the purposes of taxation of capital gains. The New Units in the Schroder MM Diversity Balanced Fund will be deemed to have the same acquisition cost and acquisition date for capital gains tax purposes for each UK Shareholder who has been allocated New Units by way of the merger as their existing Units in the Schroder MM Managed Portfolio Fund.

4. Documents available for inspection

Copies of the following documents are available for inspection at our offices at 31 Gresham Street, London EC2V 7QA during normal business hours on weekdays (excluding bank holidays) until the date of the Meeting or of any adjournment thereof:

- (a) Schroder Investment Fund Company's Instrument of Incorporation;
- (b) the current Prospectus of Schroder Investment Fund Company and the Key Investor Information document for each relevant Share class of Schroder MM Managed Portfolio Fund;
- (c) the latest interim and annual short report and accounts for Schroder Investment Fund Company, of which the Schroder MM Managed Portfolio Fund is a sub-fund;
- (d) the current Prospectus of the Schroder MM Diversity Balanced Fund and the Trust Deed (and any Supplemental Trust Deeds) of the Schroder MM Diversity Balanced Fund;
- (e) the Key Investor Information document for each relevant Unit class of the Schroder MM Diversity Balanced Fund;
- (f) the letter from HM Revenue & Customs referred to under "3.HM Revenue & Customs" above;
- (g) the letter from the FCA referred to under "2. The Financial Conduct Authority" above;
- (h) the letter from the Depositary to us consenting to the inclusion in this letter and the Scheme of Arrangement to references to the Depositary referred to under "1. Depositary" above; and
- (i) Chapter 7 of the FCA's COLL Sourcebook which is referred to in the Scheme of Arrangement.

Appendix 5

Notice of Meeting of Shareholders

Schroder MM Managed Portfolio Fund

NOTICE IS HEREBY GIVEN that a meeting of the Shareholders in the Schroder MM Managed Portfolio Fund will be held at 31 Gresham Street, London, EC2V 7QA on 10 October 2014 at 9:00 a.m. to consider and, if thought fit, to pass the following resolution which will be proposed as an Extraordinary Resolution:

Extraordinary Resolution

THAT the Scheme of Arrangement (the “Scheme”) of the sub-fund of Schroder Investment Fund Company known as Schroder MM Managed Portfolio Fund (the “Fund”) and relating to the merger into the authorised unit trust known as the Schroder MM Diversity Balanced Fund as set out in Appendix II to the document dated 17 September 2014 from Schroder Unit Trusts Limited to the holders of Shares in the Schroder MM Managed Portfolio Fund be approved and adopted and accordingly that subject to the satisfaction of all of the consents set out in paragraph 8 of the Scheme, Schroder Unit Trusts Limited, as the Authorised Corporate Director (the “ACD”) of the Fund, and J.P. Morgan Europe Limited, as Depositary of the Schroder MM Managed Portfolio Fund are hereby instructed to implement and give effect to the Scheme in accordance with its terms.



Robin Stoakley
Director
Schroder Unit Trusts Limited
31 Gresham Street
London
EC2V 7QA

17 September 2014

Notes

1. A Shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not also be a Shareholder.
2. To be valid, a form of proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy thereof) must be lodged with Schroder Administration Centre, DST, 15 Rolling Mill Road, Jarrow, NE32 3DE, no later than 9.00 a.m. on 8 October 2014. A form of proxy is enclosed.
3. The quorum for the meeting is two Shareholders present in person or by proxy. The ACD may not vote or be counted in the quorum except in any case where the ACD holds units on behalf of or jointly with a person who, if himself the sole registered Shareholder, would be entitled to vote, and from whom the ACD has received voting instructions.
4. To be passed, an Extraordinary Resolution must be carried by a majority in favour of not less than 75 per cent of the total number of votes validly cast at the meeting.
5. At the meeting the vote will be taken by poll. On a poll, the voting rights for each unit are the proportion of the voting rights attached to all of the units in issue that the price of the unit bears to the aggregate price or prices of all of the units in issue at the date seven days before the notice of the meeting was sent out. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all votes he uses in the same way.

