

26 April 2023

Dear Unitholder,

Schroder Singapore Fixed Income (the "Fund")

We are writing to advise you that the Fund's prospectus has been updated to include added sustainability disclosures with effect from 26 April 2023 (the "Effective Date").

These added sustainability disclosures seek to provide details on how the Fund incorporates environmental and/or social characteristics and how it seeks to achieve them. A summary of these disclosures can be found in the appendix to this letter.

Please note that the Fund's investment focus and approach remains unchanged. A copy of the updated prospectus can be obtained from our website at www.schroders.com.sg.

This letter is for your information only and requires no action on your part.

Should you have any queries on the above, please do not hesitate to contact our customer help line at +65 6534 4288.

Yours faithfully,

Schroder Investment Management (Singapore) Ltd

This is a computer-generated letter and requires no signature

Appendix

Schroder Singapore Fixed Income

New wording is shown as underlined text

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| <p>Schroder Singapore Fixed Income</p> | <p>Investment focus and approach</p> <p>The Fund invests in a diversified portfolio of SGD denominated fixed income securities or where denominated in a foreign currency, hedged back to SGD by adopting a passive hedging policy, including debt securities issued by the Singapore government, Singapore statutory boards and Singapore incorporated corporates with issuer credit ratings of at least Baa by Moody's, BBB by Standard and Poor's or BBB by Fitch Inc (including sub-categories or gradations therein). The Fund may also invest in non-rated debt securities issued by Singapore incorporated entities and Singapore statutory boards.</p> <p>In managing the Fund, the Manager's investment philosophy is that the bond markets are global, interrelated and generally efficient - but can overreact to events. A globally integrated team of specialist analysts and portfolio managers, researching ideas in local markets, provides a performance advantage.</p> <p>The Manager's investment approach when investing in bonds combines both top-down macro-economic analysis and bottom-up sector and security selection, utilising the resources and strength of its global and regional fixed income teams to identify opportunities to outperform the benchmark of the Fund and deliver the objectives of the Fund. It adopts a methodology based on fundamental analysis, with an emphasis on relative value. Portfolios are constructed in a manner that aims to profit from market opportunities when they arise.</p> | <p>Investment focus and approach</p> <p>The Fund invests in a diversified portfolio of SGD denominated fixed income securities or where denominated in a foreign currency, hedged back to SGD by adopting a passive hedging policy, including debt securities issued by the Singapore government, Singapore statutory boards and Singapore incorporated corporates with issuer credit ratings of at least Baa by Moody's, BBB by Standard and Poor's or BBB by Fitch Inc (including sub-categories or gradations therein). The Fund may also invest in non-rated debt securities issued by Singapore incorporated entities and Singapore statutory boards.</p> <p>In managing the Fund, the Manager's investment philosophy is that the bond markets are global, interrelated and generally efficient - but can overreact to events. A globally integrated team of specialist analysts and portfolio managers, researching ideas in local markets, provides a performance advantage.</p> <p>The Manager's investment approach when investing in bonds combines both top-down macro-economic analysis and bottom-up sector and security selection, utilising the resources and strength of its global and regional fixed income teams to identify opportunities to outperform the benchmark of the Fund and deliver the objectives of the Fund. It adopts a methodology based on fundamental analysis, with an emphasis on relative value. Portfolios are constructed in a manner that aims to profit from market opportunities when they arise.</p> |
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| | <p>The Fund may use derivatives for the purposes of hedging and/or efficient portfolio management.</p> | <p>The Fund may use derivatives for the purposes of hedging and/or efficient portfolio management.</p> <p><u>The Fund maintains a higher overall sustainability score than the Markit iBoxx ALBI Singapore Index, based on the Manager’s rating criteria. More details on the investment process used to achieve this can be found in the “Sustainability Criteria” section set out in paragraph 7.5 below.</u></p> <p><u>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under the ‘Sustainability Information’ section on the Fund’s webpage.</u></p> |
| | | <p><u>7.5 Sustainability Criteria</u></p> <p><u>The Manager applies governance and sustainability criteria when selecting investments for the Fund.</u></p> <p><u>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: (i) the exclusion of issuers that the Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs, and (ii) the inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Manager’s sustainability rating methodology.</u></p> <p><u>The 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.</u></p> <p><u>The primary sources of information used to perform the analysis are the Manager’s proprietary tools and research, third party research, NGO</u></p> |

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| | | <p>reports and expert networks. <u>The 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 Manager's approach to sustainability and its engagement with companies are available at https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint-2022.pdf.</u></p> |
| | <p>Investment Style/Benchmark:</p> <p>The Fund is actively managed with reference to the benchmark, Markit iBoxx ALBI Singapore Index. In doing so, the Fund aims to achieve a net of fee return that exceeds that of the benchmark over the medium to long term.</p> <p>The benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate benchmark in relation to the return that the Fund aims to provide.</p> | <p>Investment Style/Benchmark:</p> <p>The Fund is actively managed with reference to the benchmark, Markit iBoxx ALBI Singapore Index. In doing so, the Fund aims to achieve a net of fee return that exceeds that of the benchmark over the medium to long term.</p> <p>The benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate benchmark in relation to the return that the Fund aims to provide.</p> <p><u>The benchmark does not take into account the environmental and social characteristics of the Fund.</u></p> |
| | | <p><u>Sustainability Risks</u></p> <p><u>The Manager takes sustainability risks into account in the management of the Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment and the returns of the Fund. There is also the risk that new</u></p> |

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| | | <p><u>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.</u></p> <p><u>The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the sustainable investing characteristics of the Fund and how it is described for investors may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.</u></p> <p><u>The Fund has environmental and/or social characteristics. There may be limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular investor.</u></p> |
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