

**25 April 2024**

Dear Shareholder,

## **Schroders Capital (the "Company") – Private Equity ELTIF 2023 (the "Fund")**

We are writing to advise you that the investment policy of the Fund has changed with effect from 15 April 2024 (the "Effective Date"). Additionally, the initial offer period of the Fund has been extended until 30 June 2024. Please note that the strategy of the Fund will not be changing as a result of this update.

### **Background and rationale for the change**

From the Effective Date, we will amend the Fund's 'Investment Policy' and 'Further Investment Restrictions' (as stated in the Company's prospectus) to align the investment restrictions with the updated ELTIF regulation, which came into effect on 10 January 2024. This constitutes a 'Legitimate Change' in accordance with the prospectus of the Company and will result in additional investment flexibility for the Fund.

Additionally, the Board of Directors has decided to extend the initial offer period of the Fund by another three months until 30 June 2024, giving more time for further shareholder investments following the update to the ELTIF regulation. This is in line with the provisions of the prospectus.

We make changes to the Prospectus in the best interest of Shareholders which are necessary to ensure the continuity of the Fund and/or the Company, or those brought as a result of changes to laws and regulations ("Legitimate Changes"), without requesting the consent of the Shareholders.

Full details of the changes being made can be seen in **Appendix 1** to this letter.

There are no other changes to the Fund's investment style, investment philosophy, investment strategy, and the operation and/or manner in which it will be managed following these changes. All other key features of the Fund will remain the same.

The extent of the change to the risk/reward profile of the Fund as a result of these changes is non-significant. If you have any questions or would like more information about Schroders' products, please visit [www.schroders.com](http://www.schroders.com) or contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 202.

Yours faithfully,

**The Board of Directors**

## Appendix 1

The new wording is in **bold**. Removed wording is shown as strikethrough text.

Current Investment Policy	Updated Investment Policy
<p>The Fund will invest at least 70% of its Capital directly or indirectly in private equity opportunities that qualify as ELTIF Eligible Investment Assets. The Fund may also invest in UCITS Eligible Assets, including but not limited to open-ended Investment Funds.</p> <p>The Fund promotes environmental and social characteristics as defined under the Article 8 SFDR and will invest at least 15% of its Capital in sustainable investments as defined under SFDR, which are investments in businesses and activities that the Investment Manager expects to advance one or more of the United Nations Sustainable Development Goals (“SDGs”, “the Goals”) by contributing positively towards environmental and social development themes. See Appendix IV for further details.</p> <p>The Fund will implement a private equity strategy and will invest through Luxembourg or non-Luxembourg based holding vehicles (the “Intermediary Entities”). The Fund will focus on mid-size buyout investments and seeks to capitalise on attractive investment opportunities by gaining exposure primarily to companies operating in the mid-market buyout and growth segments. The Fund will seek to invest across a broad range of industries, including healthcare, technology, business services, consumer and industrials. The Fund will seek a balanced exposure to these sectors, but with higher weighting to anti-cyclical businesses, in particular in the healthcare and technology sectors.</p> <p>The Fund will target to invest 60% of its Capital in companies domiciled, located or operating in EEA countries. The Fund may also invest its Capital in companies domiciled or located in non-EEA countries provided that they are eligible investments pursuant to the ELTIF regulations.</p> <p>The targeted non-EEA countries for such investment shall include the following only to the extent such jurisdictions are eligible for investment pursuant to the ELTIF Regulation:</p>	<p>The Fund will invest at least <del>70</del><b>55</b>% of its Capital directly or indirectly in private equity opportunities that qualify as ELTIF Eligible Investment Assets. The Fund may also invest in UCITS Eligible Assets, including but not limited to open-ended Investment Funds.</p> <p>The Fund promotes environmental and social characteristics as defined under the Article 8 SFDR and will invest at least 15% of its Capital in sustainable investments as defined under SFDR, which are investments in businesses and activities that the Investment Manager expects to advance one or more of the United Nations Sustainable Development Goals (“SDGs”, “the Goals”) by contributing positively towards environmental and social development themes. See Appendix IV for further details.</p> <p>The Fund will implement a private equity strategy and will invest through Luxembourg or non-Luxembourg based holding vehicles (the “Intermediary Entities”). The Fund will focus on mid-size buyout investments and seeks to capitalise on attractive investment opportunities by gaining exposure primarily to companies operating in the mid-market buyout and growth segments. The Fund will seek to invest across a broad range of industries, including healthcare, technology, business services, consumer and industrials. The Fund will seek a balanced exposure to these sectors, but with higher weighting to anti-cyclical businesses, in particular in the healthcare and technology sectors.</p> <p>The Fund will target to invest 60% of its Capital in companies domiciled, located or operating in EEA countries. The Fund may also invest its Capital in companies domiciled or located in non-EEA countries provided that they are eligible investments pursuant to the ELTIF regulations.</p> <p>The targeted non-EEA countries for such investment shall include the following only to the extent such jurisdictions are eligible for investment pursuant to the ELTIF Regulation:</p>

<p>Switzerland, the United Kingdom, the USA, Canada, China, India, South Korea and Brazil.</p> <p>As an ELTIF, the Fund will invest in long-term assets, meaning assets that are typically of an illiquid nature, require commitments made for a considerable period of time, which often provide a late return on investment and generally have an economic profile of a long-term nature.</p> <p>The Fund may invest in money market instruments, money market funds and hold cash.</p> <p>The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund invests at least two-third of its Capital in assets deemed above a minimum threshold based on the Investment Manager's rating system.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed in Appendix IV.</p> <p>The Fund's performance will not be determined by reference to any benchmark.</p> <p>The Fund will not invest in securitisations within the meaning of the Securitisation Regulation.</p> <p>The Fund will not enter into any securities financing transactions and total return swaps within the meaning of 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.</p>	<p>Switzerland, the United Kingdom, the USA, Canada, China, India, South Korea and Brazil.</p> <p>As an ELTIF, the Fund will invest in long-term assets, meaning assets that are typically of an illiquid nature, require commitments made for a considerable period of time, which often provide a late return on investment and generally have an economic profile of a long-term nature.</p> <p>The Fund may invest in money market instruments, money market funds and hold cash.</p> <p>The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund invests at least two-third of its Capital in assets deemed above a minimum threshold based on the Investment Manager's rating system.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed in Appendix IV.</p> <p>The Fund's performance will not be determined by reference to any benchmark.</p> <p>The Fund will not invest in securitisations within the meaning of the Securitisation Regulation.</p> <p>The Fund will not enter into any securities financing transactions and total return swaps within the meaning of 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.</p>
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Current Further Investment Restrictions	Updated Further Investment Restrictions
<p>The Fund may invest up to 100% of its Capital in unlisted securities. However, except for investment in open-ended Investment Funds, no more than 10% of its total Capital may be invested in any single company as measured at the time of investment.</p> <p>The Fund will not invest more than 30% of its total Capital in private funds or companies managed by any single general partner as measured at the time of investment.</p> <p>The investment restrictions mentioned above (in relation to investment concentration) will not be applicable during the Ramp-up Period. The "Ramp-up Period" is defined as a two year period following the Fund's First Closing. The Ramp-Up Period may be extended, at the sole discretion of the Board, by up to one year. Thus, the Fund may during its Ramp-up Period be subject to concentration risk in the underlying investments. The Ramp-Up Period can be shortened at the discretion of the Board of Directors.</p>	<p>The Fund may invest up to 100% of its Capital in unlisted securities. However, except for investment in open-ended Investment Funds, no more than 10% of its total Capital may be invested in any single company as measured at the time of investment, <b>and no more than 20% of its total Capital in any single closed-ended investment fund, as measured at the time of investment.</b></p> <p>The Fund will not invest more than 30% of its total Capital in <del>private funds or</del> companies managed by any single general partner as measured at the time of investment.</p> <p>The investment restrictions mentioned above (in relation to investment concentration) will not be applicable during the Ramp-up Period. The "Ramp-up Period" is defined as a two year period following the Fund's First Closing. The Ramp-Up Period may be extended, at the sole discretion of the Board, by up to one year. Thus, the Fund may during its Ramp-up Period be subject to concentration risk in the underlying investments. The Ramp-Up Period can be shortened at the discretion of the Board of Directors.</p>