

Schroder Unit Trusts Limited  
31 Gresham Street  
London  
EC2V 7QA

Investor Services 0800 718 777  
www.schroders.co.uk

Fax 0870 043 4080  
investorservices@schroders.com

19 December 2016

Dear «Client Name»

**Account number:**

**Designation:**

**Fund name, investment objective and policy change: Schroder Monthly High Income Fund**

I am writing to inform you of changes to the Schroder Monthly High Income Fund (the Fund), in which you are an investor. With effect from 17 February 2017, the Fund will be renamed the **Schroder High Yield Opportunities Fund** and its investment objective and policy will be revised.

We believe the change of name better reflects the asset class that the Fund invests in (high yield) and the investment style adopted by the fund manager (unconstrained total return).

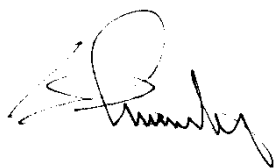
We will also make changes to the Fund's investment objective and policy wording. This is part of a wider process at Schroders of reviewing all our fund documentation to ensure that it reflects current practice in the market. The current and revised investment objective and policy can be found in Appendix I of this letter. You will note that the revised investment objective now refers to capital growth. Whilst the Fund's focus is on producing a sustainable level of income from investment in higher yielding corporate bonds, it has always sought to provide some capital growth, and we now wish to make that clear in the objective.

The 'Profile of a Typical Investor' section of the prospectus has also been changed and these changes are shown in Appendix 2 of this letter. The new wording aligns it more closely to the Fund's risk category (which remains 4) as stated in the Fund's Key Investor Information Document.

There will be no change to the Fund's investment focus or to its investment process as a result of the changes. The changes do not require unitholder approval and you are not required to take any action.

If you have any questions or concerns about the proposal, please contact your financial adviser. If you do not have a financial adviser you can find one in your area by visiting [www.unbiased.co.uk](http://www.unbiased.co.uk). Alternatively, call a member of our Investor Services Team on 0800 718 777, but please be aware that Schroders does not offer investment advice.

Yours sincerely



**Robin Stoakley**

Director

Schroder Unit Trusts Limited

Registered Office at above address. Registered Number 4191730 England.

Schroder Unit Trusts Limited is an authorised corporate director, an authorised unit trust manager and an ISA plan manager, and is authorised and regulated by the Financial Conduct Authority.

For your security, telephone conversations may be recorded.

## **Appendix I**

### **Current Objective and Policy**

The Fund's investment objective is to achieve a high level of income from a diversified portfolio of debt securities. The full spectrum of available securities, including unrated issues and those of non-investment grade, will be utilised.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, derivatives, warrants and money market instruments.

### **Revised Objective and Policy**

#### **Investment Objective**

The Fund aims to provide income by investing in fixed and floating rate securities worldwide. The Fund also aims to provide capital growth.

#### **Investment Policy**

The Fund invests at least 80% of its assets in fixed and floating rate securities (denominated in or hedged back into Sterling) issued by governments, government agencies, supra-nationals and companies worldwide. As the Fund is index-unconstrained it is managed without reference to an index.

The Fund invests at least 50% of its assets in Pan-European fixed and floating rate securities.

The Fund invests at least 80% of its assets in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities.

The Fund may also invest in collective investment schemes, warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus). The Fund may use leverage and take short positions.

## **Appendix II**

### **Current Profile of a Typical Investor**

The Fund is a low-medium risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are seeking to combine income with some capital growth opportunities in the relative stability of the debt markets over the long term. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.

### **Revised Profile of a Typical Investor**

The Fund is a medium risk fund aiming to provide income by investing in fixed and floating rate securities worldwide. The Fund also aims to provide capital growth. It may be suitable for investors who are seeking to combine income with some capital growth opportunities in the relative stability of the debt markets over the long term. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.