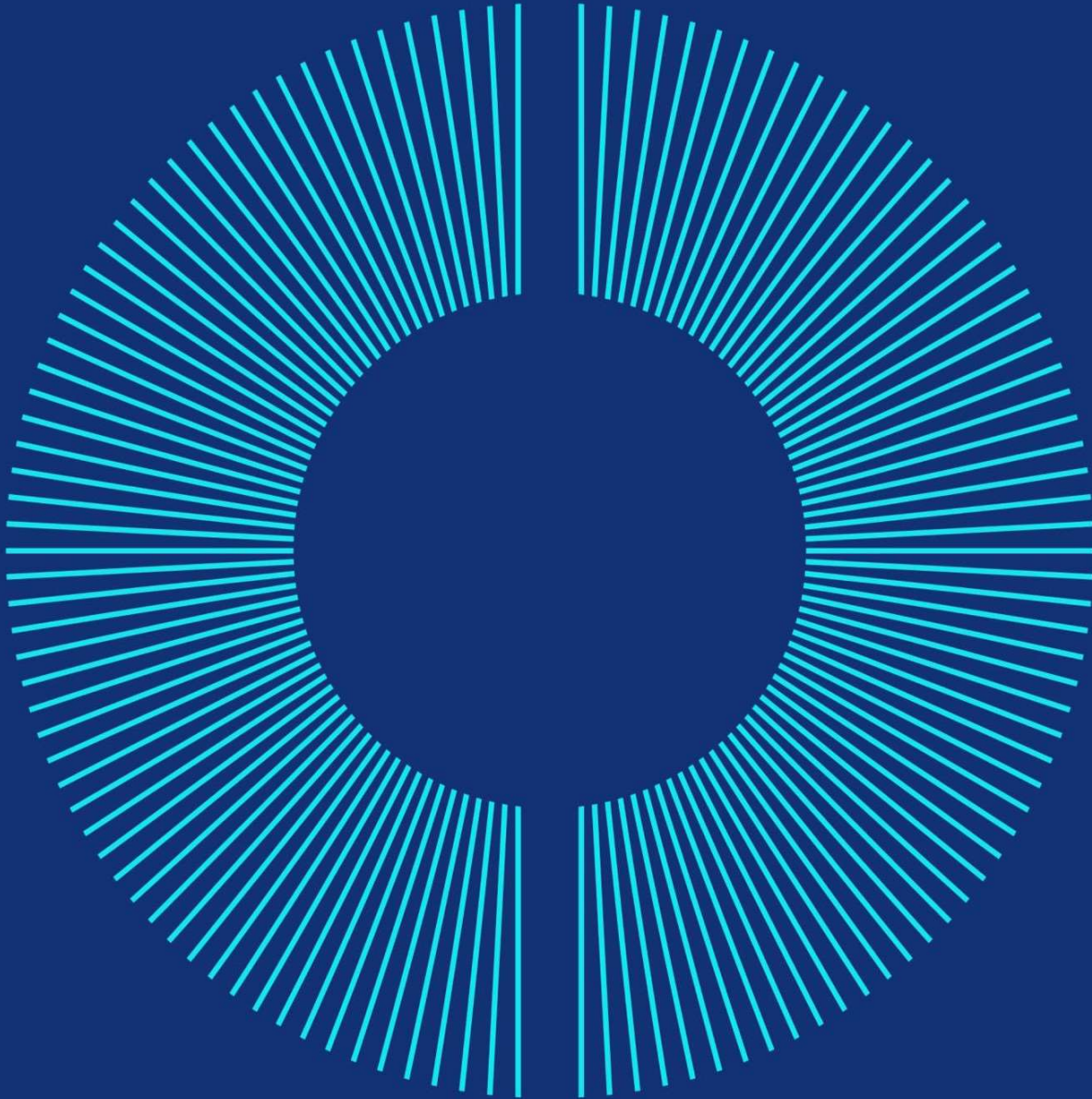


# Schroder Managed Defensive Fund

Proposal for a Scheme of Arrangement to merge Schroder Managed Defensive Fund into Schroder Global Multi-Asset Cautious Portfolio



This document is important and requires your immediate attention

Schroders

**This document is important and requires your immediate attention.**

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 a professional adviser.

Notice of a meeting of Shareholders of Schroder Managed Defensive Fund (the "**Meeting**") is set out at the end of this document.

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 09:00 UK time on 15<sup>th</sup> April 2024.

If returning a form of proxy vote by post in the prepaid envelope provided is not possible, we may accept a form of proxy received via email, provided it has been completed correctly. To facilitate this, the form of proxy must be sent to [schroders@paragon-cc.com](mailto:schroders@paragon-cc.com) with a covering email stating that the sender accepts that they will be bound by the electronic form of proxy attached as though it had been delivered in hard copy in accordance with the Circular. The sender must also state that they agree to send a hard copy by post for our records as soon as reasonably possible.

If you require further information about the Meeting or the proposed Scheme of Arrangement set out in this Circular, please contact Schroder Investor Services (Tel. 0800 182 2399 or email [schrodersinvestor@hsbc.com](mailto:schrodersinvestor@hsbc.com)).

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# Glossary of Terms

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Defined terms shall be as defined below or otherwise as defined in the Prospectus.

<b>Accumulation Share</b>	a Share or New Share that accumulates the income arising in respect of that Share so that it is reflected in the value of that Share;
<b>Circular</b>	this document, including the Letter and the Appendices;
<b>COLL</b>	the Collective Investment Schemes Sourcebook, as amended from time to time and forming part of the FCA Rules;
<b>Company</b>	Schroder Investment Solutions Company;
<b>Depository</b>	the depository of the Merging Fund and the Receiving Fund, being J.P. Morgan Europe Limited;
<b>Effective Date</b>	16 <sup>th</sup> May 2024, assuming that Shareholder approval is obtained at the Meeting, 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 Manager;
<b>Effective Time</b>	12:01 p.m. on the Effective Date;
<b>Extraordinary Resolution</b>	an extraordinary resolution of the Shareholders in the Merging Fund required to approve the implementation of the Scheme;
<b>FCA</b>	the Financial Conduct Authority;
<b>FCA Rules</b>	the FCA's Handbook of Rules and Guidance;
<b>Funds</b>	the Merging Fund and the Receiving Fund;
<b>Income Share</b>	a Share or New Share that distributes its income;
<b>Instrument of Incorporation</b>	the Instrument of Incorporation of the Company;
<b>Letter</b>	the letter from Paul Truscott, a director of Schroder Unit Trusts Limited, detailing information about the proposed Merger;
<b>Manager</b>	Schroder Unit Trusts Limited, as authorised corporate director of the Company and the Merging Fund and the Receiving Fund;
<b>Meeting</b>	the extraordinary general meeting of Shareholders in the Merging Fund to be held on 17 <sup>th</sup> April 2024;

<b>Merger</b>	the merger of the Merging Fund into the Receiving Fund;
<b>Merging Fund</b>	Schroder Managed Defensive Fund;
<b>Merging Fund Value</b>	the value of the property of the Merging Fund (excluding the Retained Amount) calculated on a mid-market basis, in accordance with the FCA Rules and the Prospectus as at 12:00 noon on the Effective Date;
<b>New Shares</b>	New Shares in the Receiving Fund to be issued to Shareholders following implementation of the merger of the Merging Fund under the Scheme, and "New Income Shares" and "New Accumulation Shares" shall be interpreted accordingly;
<b>Prospectus</b>	the Prospectus of the Company;
<b>Receiving Fund</b>	Schroder Global Multi-Asset Cautious Portfolio;
<b>Receiving Fund Value</b>	the value of the property of the Receiving Fund calculated on a mid-market basis, in accordance with the FCA Rules and the Prospectus as at 12:00 noon on the Effective Date;
<b>Retained Amount</b>	a sum estimated by the Manager after consultation with the Depositary, to be necessary to meet all the actual and contingent liabilities of the Merging Fund and which is to be retained by the Depositary as attributable to the Receiving Fund for the purpose of discharging such liabilities;
<b>Scheme or Scheme of Arrangement</b>	the scheme of arrangement for the merger of the Merging Fund into the Receiving Fund as described in Appendix 3 to this document;
<b>Share</b>	a share in the Merging Fund;
<b>Shareholder</b>	a holder of Shares in the Merging Fund; and
<b>UCITS</b>	an "undertaking for collective investment in transferable securities" (a) established in an EEA State, within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive; or (b) established in an EEA state or the UK, within the meaning of section 236A of the Financial Services and Markets Act 2000, as amended.

# Expected timetable for the proposed changes

<b>Date at which investors must hold Shares in order to be eligible to vote</b>	12:00 UK time on 8 <sup>th</sup> March 2024
<b>Dispatch Circular to Shareholders</b>	15 <sup>th</sup> March 2024 (Mailing date)
<b>Last date and time for receipt of forms of proxy</b>	09:00 UK time on 15 <sup>th</sup> April 2024
<b>Meeting of Shareholders</b>	17 <sup>th</sup> April 2024 (Meeting date)
<b>Result of Extraordinary Resolution notified to investors</b>	By 22 <sup>nd</sup> April 2024

***If the Extraordinary Resolution is passed***

<b>Last day and time by which valid instructions to buy or sell Shares in the Merging Fund may be received</b>	12:00 UK time on 8 <sup>th</sup> May 2024
<b>Last dealing day for Shares in the Merging Fund</b>	8 <sup>th</sup> May 2024
<b>Any required restructure of the portfolio of the Merging Fund will begin</b>	00:00 UK time on 9 <sup>th</sup> May 2024
<b>Valuation of the assets of the Merging Fund</b>	12:00 UK time on 16 <sup>th</sup> May 2024
<b>Effective Date and time of Merger</b>	12:01 UK time on 16 <sup>th</sup> May 2024
<b>First dealing day for New Shares in the Receiving Fund</b>	17 <sup>th</sup> May 2024

## Schroder Unit Trusts Limited

Registered No. 04191730

1 London Wall Place,  
London, EC2Y 5AU

Telephone: 0800 182 2399

Authorised and regulated by the Financial Conduct Authority

15<sup>th</sup> March 2024 (mailing date)

### To the Shareholders of Schroder Managed Defensive Fund

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Dear Shareholder

#### **Proposed Scheme of Arrangement to merge Schroder Managed Defensive Fund into Schroder Global Multi-Asset Cautious Portfolio**

We, Schroder Unit Trusts Limited (the Manager), are writing to you as the authorised corporate director of Schroder Investment Solutions Company (the Company), of which Schroder Managed Defensive Fund (the Merging Fund) is a sub-fund. We propose to merge the Merging Fund into Schroder Global Multi-Asset Cautious Portfolio (the Receiving Fund,) by way of a Scheme of Arrangement, which we refer to in this document as the "Merger". You will have the opportunity to vote on the Merger proposal by proxy appointment of the Chairman, as detailed later in the Letter. Unless otherwise defined in this letter, capitalised terms have the meaning set out in the glossary at the start of the Circular.

If the proposed Merger is approved, Shareholders in the Merging Fund will receive New Shares in the Receiving Fund, Shareholders' existing holdings in the Merging Fund will be cancelled and the Merging Fund will be wound up.

This Letter explains the reasons for, and the details of, the proposed Merger which requires the approval of Shareholders and you will be asked to approve the proposal via proxy appointment of the Chairman at an Extraordinary General Meeting of Shareholders, on the 17<sup>th</sup> April 2024 (Meeting date).

#### **Vote by Post:**

You can vote by post by completing the enclosed form of proxy and posting it in the provided prepaid envelope to:

Schroder Unit Trusts Limited,  
Client Services,  
Evolution House,  
Choats Road,  
Dagenham,  
Essex RM9 6BF

Please consider the proposal carefully and return the enclosed form of proxy to us. **We must receive the completed form of proxy no later than 09:00 UK time on 15<sup>th</sup> April 2024 for your vote to count.**

## **Vote by Email:**

If returning a form of proxy vote by post in the provided prepaid envelope is not possible, we may accept a form of proxy received via email, provided it has been completed correctly.

To facilitate this, the form of proxy must be sent to [schroders@paragon-cc.com](mailto:schroders@paragon-cc.com) with a covering email stating that the sender accepts that they will be bound by the electronic form of proxy attached as though it had been delivered in hard copy in accordance with the Circular. The sender must also state that they agree to send a hard copy by post for our records as soon as reasonably possible.

**A summary of the Scheme of Arrangement by which the Merger will be affected is set out in Appendix 3 to this Letter. The notice convening the Meeting is set out in Appendix 5.**

**The costs that are to be incurred as a result of the Merger, and who they are to be incurred by, are described in paragraph 5 below entitled "Costs and expenses".**

**If you are a Shareholder seven days before the date of this Letter, you will be entitled to vote on the proposed Merger. Please see the details below for how to vote by post or email.**

**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.**

### **1. Background and reasons for the proposed Merger**

The Merging Fund was launched on 31/05/2018 and was initially developed as an investment solution for clients of Benchmark Capital (an associate of the Manager) before Schroder Investment Solutions ("SIS") was launched. As the solutions and propositions offered by SIS has broadened, there is less investor demand for the Merging Fund.

Over the past few years, the AUM of the Merging Fund has slowly been declining. The Merging Fund has struggled to retain assets over the past 12 months. Both equity and bond markets experienced sharp declines, which impacted the Merging Fund's performance in 2022, where the performance was -9%. The prospect of attracting new clients and raising assets is low, and the current level of AUM is below the minimum considered for the Merging Fund to be commercially viable.

As both the Merging Fund and Receiving Fund are managed by the same portfolio manager and seek exposure to similar asset classes, we have concluded that the appropriate course of action is to propose a Scheme of Arrangement whereby Shareholders of the Merging Fund will receive New Shares in the Receiving Fund, and Shareholders' existing holdings in the Merging Fund will be cancelled. This will result in a single fund that is more likely to benefit from economies of scale.

### ***Charges***

If the Merger is approved, Shareholders in the Merging Fund will experience an increase in the ongoing charge figure from 0.19% to 0.20% as the Receiving Fund's ongoing charges figure is slightly higher. This equates to £1 for each £1000 invested.

### ***Comparison of the Merging Fund and Receiving Fund***

A side by side comparison of the Merging Fund and the Receiving Fund is below in Appendix 1. The Key Investor Information Documents for the Merging Fund and Receiving Fund are also included in Appendix 6.

The similarities of the Merging Fund and the Receiving Fund are:



- The Merging Fund and the Receiving Fund have a strategic allocation to equities of 25% and 26% respectively, and fixed income allocations of 62% and 66% respectively. The asset allocations of both Funds are actively managed using the same investment process.
- The Funds have delivered similar returns over 1, 3, and 5-year periods as of June 2023 (please see Appendix 1 for full details). However, the 3-year volatility (a measure of how much the fund's returns may vary over a year) of the Receiving Fund has been higher at 6.4% p.a. compared to 4.0% p.a. for the Merging Fund, due to the higher levels of cash held by the Merging Fund
- The Merging Fund and the Receiving Fund have a similar allocation to higher risk assets. The Merging Fund has 25% asset allocation exposure to equities and the receiving Fund has 26% asset allocation exposure to equities.

The main differences between the Merging Fund and the Receiving Fund are:

- The Merging Fund aims to provide capital growth and income of 2% above its benchmark (the ICE BofA Sterling 3-Month Government Bill Index) with a target average annual volatility of 4% over a five year period. The Receiving Fund aims to provide capital growth and income with a target average annual volatility of 30-45% of global markets (represented by the MSCI All Country World index) over a five year period. The target average annual volatility is each fund's specific goal for how much the value of its investments fluctuate on average over a one year period. A higher target average annual volatility indicates that the fund aims to achieve potentially higher returns through taking on a higher level of risk. To help you consider the actual volatility and financial return (capital growth and income) of the funds over time, we have provided a comparison below.

Over the 12 months prior to 31 December 2023:

- the Merging Fund's annual volatility was 2.3% p.a. and its financial return was 5.3%.
- the Receiving Fund's annual volatility was 4.6% p.a. and its financial return was 7.3%. During this time, the actual volatility range representing 30-45% of the index's volatility was 3.1% to 4.6% p.a.

Over the 36 months prior to 31 December 2023:

- the Merging Fund's annual volatility was 4.0% p.a. and its financial return was 0.4% p.a..
- the Receiving Fund's annual volatility was 6.8% p.a. and its financial return was -0.1% p.a.. During this time, the actual volatility range representing 30-45% of the index's volatility was 4.5% to 6.7% p.a."
- The Merging Fund also aims to limit losses to no more than 10% in any investment period. The Receiving Fund does not have any such depreciation stop loss feature.
- The Merging Fund mainly invests in derivatives in equity or equity related securities and fixed and floating rate securities, whereas the Receiving Fund invests mainly in collective investment schemes (CIS) which are primarily exposed to fixed income securities, and to a lesser extent, equity securities.

For further details on the Merging Fund and the Receiving Fund, please refer to the Prospectus, which is available at <https://www.schroders.com/en-gb/uk/intermediary/fund-centre/#/fund/search/filter>

***Valuation point, accounting dates, income allocation and income objectives***

- Both the Merging Fund and Receiving Fund carry out a valuation of assets at 12:00 noon. To facilitate the Scheme of Arrangement, the final valuation of assets for the Merging Fund will be conducted at 12:00 noon on the Effective Date. The income allocation date for both Funds is the 5th December and the annual accounting date is the 5th October.

A comparison of the accounting and allocation dates, income objectives and other relevant information is set out in Appendix 1.

***Accounting period change if the Merger is approved***

- To simplify the Merger process, the current accounting period of the Merging Fund will end at 12:00 noon on the Effective Date and an additional distribution of income will take place.

This means that any income from the end of the previous accounting period to the Effective Date will be transferred out prior to the Merger taking effect. For Accumulation Shares, the income will be transferred to the capital account and reflected in the value of New Accumulation Shares to be issued in the Receiving Fund.

Following the Merger, the Depositary will proceed to wind-up the Merging Fund in accordance with the terms of its Prospectus, the Instrument of Incorporation and the FCA Rules. Wind-up accounts will be available on request.

## 2. Tax implications

Any income paid to holders of Accumulation Shares will be within the charge to UK taxation and as such will be subject to UK tax.

### ***Capital Gains Tax***

Based on our understanding of current UK tax law applicable to UK resident taxpayers we will submit a tax clearance to HM Revenue & Customs and we expect to receive their agreement that the exchange of Shares in the Merging Fund for New Shares in the Receiving Fund, will not constitute a disposal of Shares for capital gains tax purposes. If it is confirmed that the exchange is not a disposal for capital gains tax purposes, your New Shares will be deemed to have been acquired on the date you acquired Shares in the Merging Fund for the same cost, and any tax you incur on the capital gains realised when you dispose of your New Shares in the Receiving 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***

It is 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.

**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.**

## 3. ISA Holders

If you hold Shares in the Merging Fund through an ISA and the Merger is approved, the New Shares that you will be issued will remain within your current ISA wrapper following the Merger. However, if Shares within your ISA are redeemed, the proceeds will no longer have ISA status and will no longer benefit from a tax-exempt status; you will only be able to reinvest your unused ISA allowance from the current tax year. **If you are unsure about what to do, please consult a financial adviser.**

## 4. Issue of New Shares under the Merger

We set out below the classes of New Shares which Shareholders will receive under the Merger:

Existing Share Class in the Merging Fund	New Share Class in the Receiving Fund to be issued under the Merger
F Accumulation shares	F Accumulation shares

## 5. Costs and expenses

The costs and expenses of the proposed Merger will be paid by the Manager. These costs and expenses include the costs of preparing and implementing the Merger, of convening and holding the Meeting and the winding up of the Merging Fund, if the proposed Merger is approved. The Manager will also cover the audit costs of the Merger. The Manager will not seek reimbursement of such amounts from the property of the Merging Fund.

Any costs incurred in respect of selling assets within the portfolio of the Merging Fund in preparation for the Scheme of Arrangement will be borne by the Merging Fund. The costs of selling the assets in the Merging Fund and investing the cash proceeds in the Receiving Fund are expected to cost approximately 0.01% as the Merging Fund is predominantly invested in equity and bond futures and cash. The investment manager will begin selling down the Merging Fund's portfolio to cash on 9<sup>th</sup> May 2024, following the last dealing day for Shares in the Merging Fund and as such, (during this period the Merging Fund may not be managed in line with its investment objective and policy).

Any costs incurred in respect of purchasing or selling assets within the portfolio of the Receiving Fund after the Scheme of Arrangement has been implemented will be borne by the Receiving Fund.

## 6. Consents and approvals

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

## 7. Your right to sell your Shares

You are entitled to sell, buy or switch Shares in the Merging Fund (free of any charge) at any time before 12:00 UK time on 8th May 2024. A valid instruction to buy, sell or switch Shares in the Merging Fund will be binding if received by 12:00 UK time on 8th May 2024.

Instructions to sell your Shares must be given in writing to Schroder Unit Trusts Limited at PO Box 1402, Sunderland SR43 4AF or by telephoning our Investor Services team on 0800 182 2399. The Investor Services team can also help you if you have any question about selling your Shares.

**You are entitled to sell your New Shares in the Receiving Fund following the Effective Date. Please note that selling your New Shares in the Receiving Fund will constitute a disposal for capital gains tax purposes – for ISA holders please refer to section 3 above.**

## 8. Recommendation and action to be taken

We believe that the proposed Merger 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% of the total number of votes validly cast (in this case via form of proxy received no later than 48 hours prior to the Meeting), so it is important that you exercise your right to vote.

If the Extraordinary Resolution is not passed, the Merging Fund will not be merged into the Receiving Fund, and 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 ongoing viability of the Merging 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 Funds and how the Merger (if effected) will impact you. You should also read the Key Investor Information Documents set out at Appendix 6.

As indicated above and more particularly under the terms of the Scheme, Shareholders of the Merging Fund participating in the Scheme will receive Shares in the Receiving Fund under the Scheme.

The results of the vote will be published by 22<sup>nd</sup> April 2024 on our 'Changes to Funds' page of our website: <https://www.schroders.com/en-gb/uk/individual/funds-and-strategies/notifications/fund-announcements/> and also sent out to investors.

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) or call a member of our Investor Services team on 0800 182 2399. Please be aware that Schroders does not offer investment advice.

**Whether or not you intend to join the meeting please complete the enclosed form of proxy and return it in the prepaid envelope provided. It must arrive on or before 09:00 UK time on 15<sup>th</sup> April 2024.** If you would like to submit any questions to the Chairman or hear any other questions for the Chairman prior to returning your form of proxy, please contact [schrodersinvestor@hsbc.com](mailto:schrodersinvestor@hsbc.com). Return of the form of proxy will not preclude you from joining the Meeting. **Please note that there will not be any opportunity to amend your vote once your form of proxy has been returned.**

Yours faithfully

Paul Truscott  
**Director**  
**Schroder Unit Trusts Limited**

## Appendix 1: Comparison of Schroder Managed Defensive Fund and Schroder Global Multi-Asset Cautious Portfolio

	Merging Fund	Receiving Fund
<b>Fund Name</b>	<b>Schroder Managed Defensive Fund</b>	<b>Schroder Global Multi-Asset Cautious Portfolio</b>
<b>Date of inception</b>	31/05/2018	10/01/2017
<b>Benchmark</b>	The Fund's performance should be assessed against its target benchmark of the ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum (after fees have been deducted).	The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 0-35% shares sector average return.
<b>Performance sector</b>	N/A	IA Mixed Investment 0-35% shares peer group.
<b>Performance Returns over 1, 3 and 5 year periods to September 2023</b>	1 year: 2.2% 3 years (p.a.): 0.0% 5 years (p.a.): 1.5%	1 year: 2.8% 3 years (p.a.): 0.8% 5 years (p.a.): 1.5%
<b>Prospectus investment objective and policy</b>	<p><b>Objective:</b></p> <p>The Fund aims to provide capital growth and income in excess of the ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum (after fees have been deducted) over a three to five year period, whilst also seeking to mitigate the risk of incurring a loss greater than 10% over any investment period, by investing in a diversified range of assets and markets worldwide. The Fund will seek to achieve a target average volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of 4% per annum. This cannot be guaranteed and your capital is at risk.</p> <p><b>Policy:</b></p> <p>The Fund invests directly or indirectly through derivatives in equity or equity related securities and fixed and floating rate securities, issued by governments, government agencies, supra-nationals or corporate issuers, worldwide.</p>	<p><b>Objective:</b></p> <p>The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 30% to 45% of that of global stock markets (represented by the MSCI All Country World index).</p> <p><b>Policy:</b></p> <p>The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following: (A) equity or equity related securities; (B) fixed income securities including government bonds and corporate bonds; (C) currencies; and (D) alternative assets. Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities. The Fund may also invest directly in (A), (B) or (C).</p>

	<p>The Fund seeks to achieve the target average volatility by varying the weighting of asset types. During the market cycle the Fund's volatility may be higher or lower than the target average level if the Investment Manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target average volatility. The Fund may also invest in alternative assets including funds that use absolute return strategies or funds that invest indirectly in real estate, infrastructure and commodities.</p> <p>The Fund may also invest in money market instruments, collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds, and hold cash (exceptionally up to 100% of the Fund's assets may be cash or money market instruments).</p> <p>The Fund may invest more than 10% of its assets in collective investment schemes managed by Schroders. 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 10 of Appendix III of the Prospectus). The Fund may use leverage and take short positions.</p>	<p>The Fund is part of the Schroder Global Multi-Asset Portfolio range, which offers five funds with different expected combinations of investment risk and return. The Fund aims to take a cautious approach, which means that it aims to be the lowest risk fund in this range, with more 'lower risk' assets (such as certain fixed income securities) and fewer 'higher risk' assets (such as certain equities) than the other funds in the range. The Fund may invest up to 35% of its assets, directly or indirectly, in equity and equity-related securities.</p> <p>The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.</p> <p>The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in warrants and money market instruments, and hold cash.</p> <p>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 10 of Appendix III of the Prospectus).</p>
<b>SRI – Synthetic Risk and Reward Indicator</b>	4	4
<b>KIID Risk Disclosures</b>	<p>Credit risk: A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.</p> <p>Currency risk: The fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates.</p>	<p>Credit risk: A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.</p> <p>Currency risk: The fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates.</p> <p>Derivatives risk: Derivatives, which are financial instruments deriving their value</p>

Derivatives risk: Derivatives, which are financial instruments deriving their value from an underlying asset, may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

High yield bond risk: High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk meaning greater uncertainty of returns.

Interest rate risk: The fund may lose value as a direct result of interest rate changes.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares, meaning investors may not be able to have immediate access to their holdings.

Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

IBOR risk: The transition of the financial markets away from the use

from an underlying asset, may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

High yield bond risk: High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk meaning greater uncertainty of returns.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares, meaning investors may not be able to have immediate access to their holdings.

Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

IBOR risk: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference interest rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.



	of interbank offered rates (IBORs) to alternative reference interest rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.	
<b>Profile of typical investor</b>	UK retail clients	UK retail clients
<b>Base Currency</b>	British Pounds	British Pounds
<b>Fund Size (£m) at 30 October 2023</b>	£13.04 m	£ 18.50 m
<b>Annual accounting date</b>	05 October	05 October
<b>Half-yearly accounting dates</b>	05 April	05 April
<b>Income allocation dates</b>	05 December	05 December
<b>Pricing frequency</b>	Daily	Daily
<b>Valuation point</b>	12:00 p.m. (noon)	12:00 p.m. (noon)
<b>Dealing frequency</b>	Daily	Daily
<b>Deal Cut-off</b>	12:00 p.m. (noon) on dealing day	12:00 p.m. (noon) on dealing day
<b>Settlement details</b>	T+4	T+4
<b>Share classes (only relevant Share classes for Receiving Fund are shown)</b>	F Accumulation	F Accumulation
<b>Schroder Annual Charge (SAC) by class</b>	F: 0.19%	F: 0.19%
<b>Ongoing Charge Figure (OGC) by class</b>	F: 0.19%	F:0.20%

## Appendix 2: Procedure for Shareholder Meeting

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### 1. Extraordinary Resolution of Shareholders

The notice convening the Meeting 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% or more of the total number of votes validly 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 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% of the total number of votes validly cast at the Meeting (in this case via form of proxy received no later than 48 hours prior to the Meeting). Shareholders who hold Shares on the date seven days before the notice of the Meeting is sent out are entitled to vote. Once passed, the Extraordinary Resolution is binding on all Shareholders in the Merging Fund.

In view of the importance of the proposal, the Chairman of the Meeting will call for a poll of proxy votes to be taken in respect of the Extraordinary Resolution. On a poll, the voting rights for each Share are the proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price or prices of all the Shares in issue at the date seven days before the notice of the Meeting was sent. A Shareholder is entitled to more than one vote on a poll and need not, if they vote, use all their votes or cast all the votes they use in the same way.

**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 following address no later than 09:00 UK time on 15<sup>th</sup> April 2024: Schroder Unit Trusts Limited, Client Services, Evolution House, Choats Road, Dagenham, Essex RM9 6BF.**

If returning a form of proxy vote by post in the provided prepaid envelope is not possible, we may accept a form of proxy received via email, provided it has been completed correctly. To facilitate this, the form of proxy must be sent to [schroders@paragon-cc.com](mailto:schroders@paragon-cc.com) with a covering email stating that the sender accepts that they will be bound by the electronic form of proxy attached as though it had been delivered in hard copy in accordance with the Circular. The sender must also state that they agree to send a hard copy by post for our records as soon as reasonably possible.

If you would like to pose any questions to the Chairman prior to returning your form of proxy, please contact [schrodersinvestor@hsbc.com](mailto:schrodersinvestor@hsbc.com). Return of the form of proxy will not preclude you from joining the Meeting. Please note that there will not be any opportunity to amend your vote once your form of proxy has been returned.

### 3. The Manager

The Manager is entitled to attend the Meeting but shall not be counted in a quorum at the Meeting, nor any adjournment. Neither the Manager nor an associate of the Manager shall be entitled to vote except in respect of Shares which the Manager or its associate holds jointly with or on behalf of a person who, if a registered

holder, would be entitled to vote, and from whom voting instructions have been received. Associates of the Manager holding Shares are entitled to be counted in a quorum.

#### **4. Chairman**

The Manager has nominated Henri Loombe-Temple or, failing him, Paul Truscott, to be Chairman of the Meeting and at any adjourned meeting. These nominees are employees of the Manager and have indicated that, in view of the importance of the proposed Extraordinary Resolution, they will demand that a poll of proxy votes 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

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### 1. Definitions and interpretation

- 1.1. In this Scheme of Arrangement (the Scheme), unless the context otherwise requires, words and terms have the meanings set out in the Glossary of Terms at the beginning of this Circular.
- 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, 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 Shareholders

- 2.1. The Merger is conditional upon the passing of the Extraordinary Resolution, by which those Shareholders approve the Scheme and authorise the implementation of the Merger.
- 2.2. You will be notified of the result of the vote on the Extraordinary Resolution for the Merging Fund. If approved, the Scheme will be binding on all Shareholders in the Merging Fund, whether or not they vote in favour of it or vote at all, and the Merger will be implemented as set out in the following paragraphs.

### 3. Last dealings in the Merging Fund

- 3.1. The last day on which valid instructions to buy Shares in the Merging Fund may be received is 12:00 UK time on 8<sup>th</sup> May 2024. The last day on which valid instructions to sell Shares in the Merging Fund may be received is 12:00 UK time on 8<sup>th</sup> May 2024. Instructions received after that time will be cancelled and will have to be resubmitted after the first valuation point of the Receiving Fund following the Scheme of Arrangement, which will be on 17th May 2024.

### 4. Income allocation arrangements

- 4.1. An additional interim accounting period will be declared on 16<sup>th</sup> May 2024 (Effective Date) for the Merging Fund. All income (actual or estimated) that has accrued in the interim accounting period and is available for allocation in relation to Accumulation Shares, will be transferred to the capital account of the Merging Fund, allocated to the Accumulation Shares, and reflected in the value of those Shares (and used to calculate the number of the New Shares in the Receiving Fund under the Merger).
- 4.2. Any distributions in respect of the Merging 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 Merging Fund and become part of the capital property of the relevant Receiving Fund allocated pro-rata. 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 Funds

- 5.1. The value of the Merging Fund shall be calculated on a mid-market basis as at 12:00 noon on the Effective Date less:

5.1.1. income (if any) to be allocated to the Merging 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 Receiving Fund shall be the value of the income and capital property attributable to the Receiving Fund calculated on a mid-market basis in accordance with the FCA Rules as at 12:00 noon on the Effective Date.

5.3. These valuations shall be used in the calculation of the number of New Shares in the Receiving Fund to be issued.

5.4. If the value of the Merging Fund and the Receiving Fund move significantly between 12:00 noon on the Effective Date and the transfer of property and issue of New Shares taking place (see paragraph 6 below) there will be a revaluation of the relevant fund(s).

## **6. Transfer of property and issue of New Shares**

6.1. As at and from 12:01 p.m. on the Effective Date:

6.2. The capital and income of the Merging Fund, less the Retained Amount (the **"Transferred Property"**), will become the property of the Receiving Fund in exchange and full payment for the issue of New Shares. The Depositary will cease to hold the Transferred Property as attributable to the Merging Fund and will, in its capacity as depositary of the Receiving Fund, hold the Transferred Property as scheme property of the Receiving Fund. The Depositary, in its capacity as depositary of the Merging 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 Merging Fund.

6.3. The Manager will issue New Shares in the Receiving Fund of the appropriate class and type to Shareholders who are registered on the Effective Date as holding such Shares in the Merging Fund on the basis set out in paragraph 7.

6.4. All Shares in the Merging Fund will be deemed to be cancelled and will cease to be of any value as at 12:02 noon on the Effective Date.

6.5. Shareholders will be treated as exchanging their Shares for New Shares.

## **7. Basis for the issue of New Shares**

7.1. The price of each New Share to be issued in the Receiving Fund shall be the Receiving Fund Value, divided by the number of undivided shares represented by shares in issue in the Receiving Fund (not including the New Shares to be issued under the Scheme) and multiplied by the number of undivided shares (including any fraction) represented by one share of the Receiving Fund as at 12:00 noon on the Effective Date.

7.2. New Shares of the appropriate class and type as those held by Shareholders of the Merging Fund on the Effective Date shall be created and issued in the Receiving Fund to the value of the Merging Fund Value, in proportion to the number of undivided shares in the property of the Merging Fund in issue at 12:00 noon on the Effective Date. New Shares (including fractions of shares) issued in the Receiving Fund shall be allocated among the Merging Fund Shareholders in proportion to the number of undivided shares in the property of the Receiving Fund represented by the respective Shares in the Merging Fund held or deemed to be held by them at 12:01 p.m. on the Effective Date provided that the number of New Shares to be issued to any Shareholder shall be rounded up to the nearest fraction at the expense of the Manager.

- 7.3. As also noted in paragraph 4, for the purposes of income equalisation, the value of New Shares 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 Shares, Shareholders will receive as part of their income allocation a capital sum representing that part of the value of the New Shares, which represents the value of such accrued income.

## **8. Notification of the New Shares issued under the Scheme**

- 8.1. It is intended that the Manager will notify each Shareholder who has participated in the Merger of the number and class of New Shares in the Receiving Fund 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 Shareholder's address appearing in the register of shareholders of the Receiving Fund as at the Effective Date. Upon despatch of such notifications, any documentation confirming ownership of Shares in the Merging Fund will cease to be valid. No certificates will be issued in respect of New Shares.
- 8.2. Transfers or redemptions of New Shares issued under the Scheme may be effected from the next business day after the Effective Date by calling Schroder Unit Trusts Limited on 0800 182 2399. Written transfer and redemption requests in respect of New Shares can be made in writing to Schroder Unit Trusts Limited at PO Box 1402, Sunderland, SR43 4AF.

## **9. Mandates and other instructions in respect of New Shares**

- 9.1. Mandates and other instructions to the Manager in respect of the Merging Fund in force on the Effective Date in respect of Shares will be deemed to be effective in respect of New Shares issued under the Scheme and in respect of other later acquired New Shares, if relevant. These mandates or instructions may be changed at any time.
- 9.2. After the Scheme has been implemented, any rebate arrangements and renewal commissions in effect on the Merging Fund may not be carried over to the Receiving Fund.

## **10. Winding up of the Fund**

- 10.1. If the Scheme is approved by Shareholders, the Merging Fund will, following the Merger, be wound up 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 Merging Fund in accordance with the directions and instructions of the Manager, the provisions of the Instrument of Incorporation and the Prospectus, and the FCA Rules. In providing such directions and/or instructions to the Depositary, the Manager shall be responsible for ensuring that such directions and/or instructions always comply with the provisions of the Instrument of Incorporation and the Prospectus, and the FCA Rules.
- 10.3. If, on the completion of the winding up of the Merging Fund, there are any surplus moneys remaining in the Merging Fund, the money, together with any income arising therefrom, shall be transferred to the Receiving Fund. No further issue of New Shares will be made as a result.
- 10.4. If the Retained Amount is insufficient to discharge all the liabilities of the Merging Fund, the Depositary, in its capacity as depositary of the Receiving Fund, will pay the amount of the shortfall out of the scheme property of the Receiving Fund in accordance with the directions and/or instructions of the Manager with the agreement of the Depositary (in its capacity as depositary of the Receiving Fund) and the FCA Rules, but otherwise such shortfall shall be discharged by the Manager.

10.5. On completion of the winding up of the Merging Fund, the Depositary (in its capacity as depositary of the Merging Fund) will be discharged from all its obligations and liabilities in respect of the Merging 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 Merging Fund) and the Manager will continue to receive their usual fees and expenses for being the depositary and the authorised corporate director respectively of the Merging Fund out of the property of the Merging 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 will be paid by Schroder Unit Trusts Limited, not by Shareholders, including:

11.2.1. the costs of convening and holding the extraordinary general meeting of Shareholders (and any adjourned meeting);

11.2.2. any re-designation and registration fees;

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

11.2.4. the costs of winding up of the Merging Fund; and

11.2.5. professional advisers' fees and expenses (including those of the Depositary) payable in connection with the Merger and the Scheme.

11.3. Any costs related to the restructure of the Merging Fund under the Scheme will be paid by the Merging Fund. These costs are not expected to be material.

## **12. Register of Shareholders**

12.1. The Manager and the Depositary (in their respective capacities as authorised corporate director and depositary of the Merging Fund) shall be entitled to assume that all information contained in the register of Shareholders of the Merging Fund on and immediately prior to the Effective Date is correct, and to utilise the same in calculating the number of New Shares to be issued and registered pursuant to the Scheme.

12.2. The Manager and the Depositary (in their respective capacities as authorised corporate director and depositary of the Merging 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 Merging 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 Manager, with the agreement of the Depositary (in its capacity as depositary of the Merging 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 Manager considers appropriate.

13.2. The terms of the Scheme may be amended as determined by the Manager and the Depositary (in its capacity as depositary of the Merging Fund).

## **14. Governing law**

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

Dated: 15<sup>th</sup> March 2024



## Appendix 4: Consents and clearances

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### 1. Depositary

J.P. Morgan Europe Limited, as depositary of the Merging Fund and the Receiving 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 that if the Scheme is implemented it is not likely to result in any material prejudice to the Shareholders. It 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. Manager

The Manager confirms that in its opinion, if the Scheme is implemented it is not likely to result in any material prejudice to the Shareholders in the Merging Fund. In particular, the Manager confirms, and has confirmed to the Depositary in writing that, in its opinion, the receipt of property under the Scheme by the Receiving Fund is consistent with the investment objectives of the Receiving Fund and can be effected without any breach of Chapter 5 of COLL.

### 3. HM Revenue & Customs

HM Revenue & Customs has confirmed 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 Merging Fund into the Receiving Fund will not involve a disposal of Shares in the Merging Fund for the purposes of taxation of capital gains. The New Shares in the Receiving 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 Shares by way of the Merger as their existing Shares in the Merging Fund.

### 4. Documents available for inspection

Copies of the following documents are available for inspection on request from the following email address [schrodersinvestor@hsbc.com](mailto:schrodersinvestor@hsbc.com) until the date of the Meeting or of any adjournment thereof:

- a. the Prospectus and Instrument of Incorporation for the Merging Fund;
- b. the latest interim and annual report and accounts for the Merging Fund;
- c. the Prospectus and Instrument of Incorporation for the Receiving Fund;
- d. the key investor information documents for the F Accumulation Share class of the Merging Fund and Receiving Fund; and
- e. the letter from the Depositary to us consenting to the inclusion in this Circular of references to the Depositary referred to under "1. Depositary" above.

## Appendix 5: Notice of Meeting of Shareholders – Schroder Managed Defensive Fund

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**NOTICE IS HEREBY GIVEN** that a meeting of the Shareholders in Schroder Managed Defensive Fund will take place at 17<sup>th</sup> April 2024 (Meeting date) 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 Schroder Managed Defensive Fund (the “Fund”), relating to the merger of the Fund into Schroder Global Multi-Asset Cautious Portfolio, as set out in Appendix 3 to the letter dated 15<sup>th</sup> March 2024 from Schroder Unit Trusts Limited to the holders of Shares in the Fund (the “Letter”) be and is hereby approved and adopted and accordingly that subject to the satisfaction of all of the consents set out in Appendix 4 to the Letter, Schroder Unit Trusts Limited, as the authorised corporate director of the Fund, and J.P. Morgan Europe Limited, as depositary of the Fund are hereby instructed to implement and give effect to the Scheme in accordance with its terms.

Paul Truscott  
Director

Schroder Unit Trusts Limited  
1 London Wall Place  
London EC2Y 5AU

### Notes

1. To be valid, a form of proxy and any power of attorney or other authority under which it is signed (or a notarial certified copy thereof) must be lodged with Schroder Unit Trusts Limited, Client Services, Evolution House, Choats Road, Dagenham, Essex RM9 6BF, no later than 09:00 UK time on 15<sup>th</sup> April 2024. A form of proxy is enclosed. If returning a form of proxy vote by post in the provided prepaid envelope is not possible, we may accept a form of proxy received via email, provided it has been completed correctly. To facilitate this, the form of proxy must be sent to [schroders@paragon-cc.com](mailto:schroders@paragon-cc.com) with a covering email stating that the sender accepts that they will be bound by the electronic form of proxy attached as though it had been delivered in hard copy in accordance with the Circular. The sender must also state that they agree to send a hard copy by post for our records as soon as reasonably possible.
2. The quorum for the Meeting is two Shareholders present in person or by proxy. The Manager may not vote or be counted in the quorum except in any case where the Manager holds Shares on behalf of or jointly with a person who, if himself the sole registered Shareholder, would be entitled to vote, and from whom the Manager has received voting instructions.
3. To be passed, an Extraordinary Resolution must be carried by a majority in favour of not less than 75% of the total number of votes validly cast by proxy appointment prior to the Meeting.
4. At the Meeting a poll of proxy votes will be taken. On a poll, the voting rights for each Share are the proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price or prices of all the Shares 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.

## Appendix 6: Key Investor Information Documents

# Schroders

## Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

# Schroder Managed Defensive Fund

a sub-fund of Schroder Investment Solutions Company

Class F Accumulation GBP (GB00BF783S09)

This fund is managed by Schroder Unit Trusts Limited, which is a member of the Schroders Group.

## Objectives and investment policy

### Objectives

The fund aims to provide capital growth and income in excess of the ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum (after fees have been deducted) over a three to five year period, whilst also seeking to mitigate the risk of incurring a loss greater than 10% over any investment period, by investing in a diversified range of assets and markets worldwide. The fund will seek to achieve a target average volatility (a measure of how much the fund's returns may vary over a year) over a rolling five year period of 4% per annum. This cannot be guaranteed and your capital is at risk.

### Investment Policy

The fund invests directly or indirectly through derivatives in equity or equity related securities and fixed and floating rate securities, issued by governments, government agencies, supra-nationals or corporate issuers, worldwide. The fund seeks to achieve the target average volatility by varying the weighting of asset types. During the market cycle the fund's volatility may be higher or lower than the target average level if the investment manager believes it is necessary to seek to mitigate potential losses. The fund's potential gains and losses are likely to be constrained by the aim to achieve its target average volatility.

The fund may also invest in alternative assets including funds that use absolute return strategies or funds that invest indirectly in real estate,

infrastructure and commodities.

The fund may also invest in money market instruments, collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds, and hold cash (exceptionally up to 100% of the fund's assets may be cash or money market instruments).

The fund may invest more than 10% of its assets in collective investment schemes managed by Schroders.

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 10 of Appendix III of the Prospectus). The fund may use leverage and take short positions.

### Benchmark

The fund's performance should be assessed against its target benchmark of the ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum (after fees have been deducted).

### Dealing Frequency

You may redeem your investment upon demand. This fund deals daily.

### Distribution Policy

This share class accumulates income received from the fund's investments, meaning it is kept in the fund and its value is reflected in the price of the share class.

## Risk and reward profile



### The risk and reward indicator

The risk category is based upon the fund's risk target and there is no guarantee that the fund will achieve it.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk-free investment.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

### Risk factors

**Performance risk:** Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

**Credit risk:** A decline in the financial health of an issuer could cause the value

of its bonds to fall or become worthless.

**Currency risk:** The fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates.

**Derivatives risk:** Derivatives, which are financial instruments deriving their value from an underlying asset, may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

**High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk meaning greater uncertainty of returns.

**Interest rate risk:** The fund may lose value as a direct result of interest rate changes.

**Liquidity risk:** In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares, meaning investors may not be able to have immediate access to their holdings.

**Operational risk:** Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

## Charges

### One-off charges taken before or after you invest

Entry charge	None
Exit charge	None

This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.

### Charges taken from the fund over a year

Ongoing charges	0.19%
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### Charges taken from the fund under certain specific conditions

#### Performance fee

None

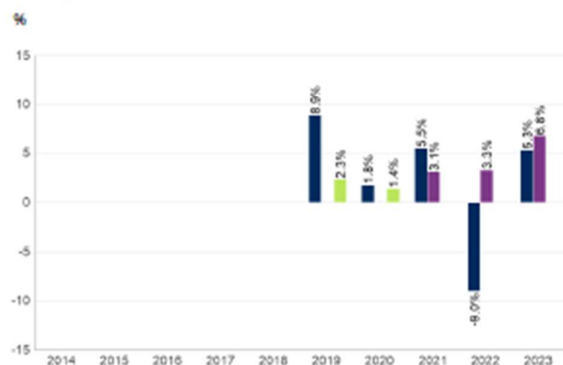
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures and in some cases you might pay less. You can find out the actual entry and exit charges from your financial adviser.

The ongoing charges figure is based on the last year's expenses for the year ending December 2023 and may vary from year to year. The ongoing charge figure excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Schroders Annual Charge (as may be discounted for retail share classes depending on the size of the fund) but certain additional expenses may be charged as set out in the prospectus. The Schroders Annual Charge (without any discount) for this share class of the fund is 0.19%. The fund's annual report for each financial year will include details on the exact charges made including any discounts.

Please see the prospectus for more details about the charges.

## Past performance



Past performance is not a guide to future performance and may not be repeated. The value of investments may go down as well as up and you may not get back the amount you originally invested.

The chart shows performance in British pounds after the ongoing charges and the portfolio transaction costs have been paid.

The fund was launched on 31/05/2018.

The shareclass was launched on 31/05/2018.

Please note that the fund's objective and benchmark were changed on 27 May 2021. The past performance in the above table is based on the fund's objective and benchmark (UK Consumer Price Index plus 1% per annum) in place prior to this date. Going forward, this table will show past performance from this date based on the new objective and benchmark (ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum).

- F Accumulation GBP (GB00BF783S09)
- ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum
- UK Consumer Price Index plus 1% per annum

## Practical information

**Depository:** J. P. Morgan Europe Ltd.

**Further Information:** You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly reports and the latest price of shares from [www.schroders.com/ukinvestor](http://www.schroders.com/ukinvestor) and from Schroders, PO Box 1402, Sunderland, SR43 4AF, England, telephone 0800 182 2399. They are in English, free of charge. The manager's first report will be published in October 2018.

**Tax Legislation:** The fund is subject to UK tax legislation which may have an impact on your personal tax position.

**Liability:** Schroder Unit Trusts Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the fund's prospectus.

**Umbrella Fund:** This fund is a sub-fund of an umbrella fund, the name of

which is at the top of this document. The prospectus and periodic reports are prepared for the entire umbrella fund. To protect investors, the assets and liabilities of each sub-fund are segregated by law from those of other sub-funds.

**Switches:** Subject to conditions, you may apply to switch your investment into another share class within this fund or in another Schroder fund. Please see the prospectus for more details.

**Remuneration Policy:** A summary of Schroders' remuneration policy and related disclosures is at [www.schroders.com/remuneration-disclosures](http://www.schroders.com/remuneration-disclosures). A paper copy is available free of charge upon request.

**Benchmark:** The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

**Glossary:** You can find an explanation of some of the terms used in this document at [www.schroders.com/ukinvestor/glossary](http://www.schroders.com/ukinvestor/glossary).

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

# Schroder Global Multi-Asset Cautious Portfolio

a sub-fund of Schroder Investment Solutions Company  
Class F Accumulation GBP (GB00BZCR4B23)

This fund is managed by Schroder Unit Trusts Limited, which is a member of the Schroders Group.

## Objectives and investment policy

### Objectives

The fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 30% to 45% of that of global stock markets (represented by the MSCI All Country World index).

The fund is part of the SISCO Schroder Tactical Portfolio range, which offers five funds with different expected combinations of investment risk and return. This fund is risk level 3, which aims to be the lowest risk fund in this range with the lowest equity weighting.

### Investment Policy

The fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The fund may also invest directly in (A), (B) or (C).

The fund is part of the Schroder Global Multi-Asset Portfolio range, which offers five funds with different expected combinations of investment risk and return. The fund aims to take a cautious approach, which means that it aims to

be the lowest risk fund in this range, with more 'lower risk' assets (such as certain fixed income securities) and fewer 'higher risk' assets (such as certain equities) than the other funds in the range. The fund may invest up to 35% of its assets, directly or indirectly, in equity and equity-related securities.

The fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The fund may invest up to 100% of its assets in Schroder funds. The fund may also invest in 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 10 of Appendix III of the Prospectus).

### Benchmark

The fund does not have a target benchmark. The fund's performance should be compared against the Investment Association Mixed Investment 0-35% shares sector average return.

### Dealing Frequency

You may redeem your investment upon demand. This fund deals daily.

### Distribution Policy

This share class accumulates income received from the fund's investments, meaning it is kept in the fund and its value is reflected in the price of the share class.

## Risk and reward profile



### The risk and reward indicator

The risk category is based upon the fund's risk target and there is no guarantee that the fund will achieve it.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk-free investment.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

### Risk factors

Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

Credit risk: A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Currency risk: The fund may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates.

Derivatives risk: Derivatives, which are financial instruments deriving their value from an underlying asset, may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

High yield bond risk: High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk meaning greater uncertainty of returns.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares, meaning investors may not be able to have immediate access to their holdings.

Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

## Charges

One-off charges taken before or after you invest	
Entry charge	None
Exit charge	None
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charges	0.20%
Charges taken from the fund under certain specific conditions	
Performance fee	None

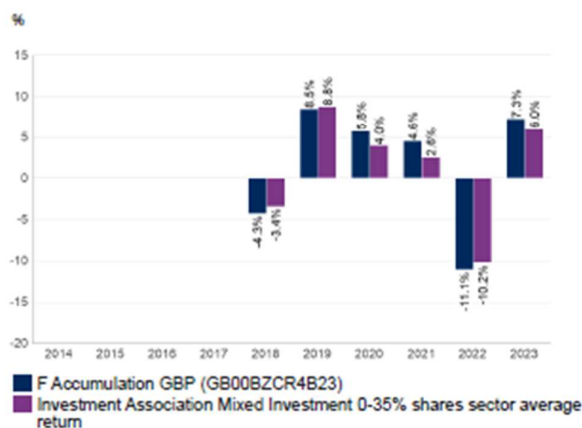
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures and in some cases you might pay less. You can find out the actual entry and exit charges from your financial adviser.

The ongoing charges figure is based on the last year's expenses for the year ending December 2023 and may vary from year to year. The ongoing charge figure excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Schroders Annual Charge (as may be discounted for retail share classes depending on the size of the fund) but certain additional expenses may be charged as set out in the prospectus. The Schroders Annual Charge (without any discount) for this share class of the fund is 0.19%. The fund's annual report for each financial year will include details on the exact charges made including any discounts.

Please see the prospectus for more details about the charges.

## Past performance



Past performance is not a guide to future performance and may not be repeated. The value of investments may go down as well as up and you may not get back the amount you originally invested.

The chart shows performance in British pound after the ongoing charges and the portfolio transaction costs have been paid.

The fund was launched on 10/01/2017.

The shareclass was launched on 10/01/2017.

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**Benchmark:** The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

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