

Marketing material for professional intermediaries only, not for onward distribution.

### Target market information

The Model Portfolio Service (MPS) is designed for financial advisers who are looking for a fully outsourced discretionary investment solution for their clients. Advisers and their clients access the service using a range of third-party platforms. The tables below reflect the Target Market for each model portfolio service.

Please note, you should assess the target market for yourself, under the FCA's Product Governance Rules.

Target Market identification	Model Portfolio Service		
	Schroder Active Model Portfolios	Schroder Strategic Index Model Portfolios	Schroder Sustainable Model Portfolios
<b>Type of clients</b>	The MPS is provided on the basis that Retail Clients (as defined within the FCA Rules) have appointed an appropriately qualified financial adviser and received advice recommending the product as appropriate for their requirements. In addition the MPS is only available to Retail Clients via investment platforms for which both the client and Schroder Investment Solutions have contracts in place.		
<b>Knowledge and experience</b>	The MPS is suitable for investors with a basic to advanced knowledge and experience of the selected financial instruments. Investors should be able to make an informed investment decision with the support of information provided by their financial adviser prior to investing. An understanding of the specific factors and risks associated with investing is required.		
<b>Financial situation with a focus on the ability to bear losses</b>	Investors should be prepared to accept fluctuations in the value of capital including capital loss. Potential loss is limited to the value of the investment.		
<b>Risk tolerance and compatibility of the risk/reward profile of the product with the target market</b>	Numerical identifiers are used to specify the risk level of each specific model in a range. The risk classification can range between 1 and 10, with 10 being the highest. The investor's financial adviser will determine which model is suitable, based on the investor's risk profile.		

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Target Market identification	Model Portfolio Service		
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<b>Risk tolerance and compatibility of the risk/reward profile of the product with the target market</b>	The Active Model Portfolio range is available for risk levels between 2 and 10.	The Strategic Index Model Portfolio range is available for risk levels between 2 and 10.	Sustainable Model Portfolio range is available for risk levels between 3 and 8.
<b>Clients' objectives and needs</b>	The MPS is compatible with investors seeking risk-adjusted returns over the medium to long term through exposure to investment instruments across various asset classes (e.g global equities, global bonds, alternatives, etc.). Investors are entitled to exit the MPS at any time without incurring any MPS exit fees.		
	<b>Additional criteria:</b> Investors selecting this strategy should have a specific preference for active focused investment management.	<b>Additional criteria:</b> Investors selecting this strategy should have a specific preference for passive focused investment management.	<b>Additional criteria:</b> Investors selecting this strategy should have a specific preference for sustainable focused investment management.
<b>Distribution strategy</b>	The MPS is a discretionary service offered by Schroder Investment Solutions to financial adviser firms and ultimately distributed to their underlying clients. The models are available on a range of third party investment platforms.		
<b>Negative target market</b>	The MPS is not deemed suitable for the following investors: <ul style="list-style-type: none"> <li>• Advisory or execution only investors</li> <li>• Non-advised investors</li> <li>• Any investor who is not eligible to invest into a UK regulated product</li> <li>• US persons</li> <li>• Investors with no ability to sustain capital loss, seeking full capital protection, requiring guaranteed income or fully risk adverse.</li> </ul>		

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### **Risk considerations**

Model Portfolios invest in underlying funds that may have some or all of these risks present. Prior to making an investment decision, please consider the following risks:

**Capital risk:** All capital invested is at risk. You may not get back some or all of your investment.

**Counterparty risk:** The portfolios may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the portfolios may be lost in part or in whole.

**Credit risk:** A decline in the financial health of an issuer could cause the value of the instruments it issues, such as equities or bonds, to fall or become worthless.

**Currency risk:** The portfolios may lose value as a result of movements in foreign exchange rates.

**Derivatives risk:** A derivative may not perform as expected, and may create losses greater than the cost of the derivative.

**Equity risk:** Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

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

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

**Leverage risk:** The portfolios use derivatives for leverage, which makes them more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

**Liquidity risk:** In difficult market conditions, the portfolios may not be able to sell a security for full value or at all.

**Money market & deposits risk:** A failure of a deposit institution or an issuer of a money market instrument could have a negative impact on the performance of the portfolios.

**Negative yields risk:** If interest rates are very low or negative, this may have a negative impact on the performance of the portfolios.

### **Important information**

Marketing material for professional intermediaries only, not for onward distribution. This information is a marketing communication.

Any reference to sectors/countries/stocks/securities are for illustrative purposes only and not a recommendation to buy or sell any financial instrument/securities or adopt any investment strategy.

The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. Reliance should not be placed on any views or information in the material when taking individual investment and/or strategic decisions.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of investments to fall as well as rise.

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Schroder Investment Solutions is the trading name for the following products and services: the Schroder Active Portfolios, the Schroder Strategic Index Portfolios and the Schroder Sustainable Portfolios. These Model Portfolios are provided by Schroder & Co Limited. Registered office at 1 London Wall Place, London EC2Y 5AU. Registered number 2280926 England. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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