Schroder Life US Long Duration Credit Fund Product-Level Disclosure

This report is published by Schroder Pension Management Limited in compliance with the requirements set out in chapter 2 of the Environmental, Social and Governance sourcebook ("ESG Sourcebook") of the FCA Handbook that require certain UK asset managers and insurers to publish product level disclosures consistent with the Task Force on Climate-Related Financial Disclosures ("TCFD"). Unless otherwise disclosed at the end of this report, as the Schroder Life US Long Duration Credit Fund approach to the consideration of climate-related risks and opportunities is consistent with Schroder Pension Management Limited across Governance, Strategy, Risk management and Targets, please refer to the Entity Level Report for information in this regard. The following report contains the information otherwise required under ESG Sourcebook 2.3, with the metrics following the calculations as contained in the TCFD annex.

Report Publication Date: 30/06/2023
Reporting Period: 01/01/2022 - 31/12/2022
Calculation Date: 31/12/2022

Fund Information

Fund Information	Value
Link to Entity-Level Report	Entity Level Report
Legal Entity Identifier	549300Z5NHI76QIB6564
Fund Name	Schroder Life US Long Duration Credit Fund
Reporting Currency	GBP
Net Asset Value	£29,691,100.86
Total Public Investments (credit and listed equity) versus the Total NAV	81%

Data Gaps and Assumptions

Schroders use MSCI as its only provider of emissions and climate data to enable consistency and reduce ambiguity in our emissions calculations. We are therefore dependent on MSCI for our emissions data across our public investments, and we will continue to work with them to encourage increased coverage. In some instances where reported emissions data is not available, MSCI use an estimation methodology. If no reported or estimated emissions data is available from MSCI, Schroders does not use an internal estimation methodology. Due to the use of two different MSCI climate packages, the 'Scope 1 & 2' and 'Scope 3' fields for the emissions measures below may not sum to their respective 'Total (1,2 & 3)' values.

This report applies to listed corporate (equity and credit) exposure only. The coverage figures below are based on the 'Total public investments (credit and listed equity) versus the total NAV' field above, which is normalised to 100%.

Where applicable for strategies with significant investments in third-party funds, the 'Total public investments (credit and listed equity) versus the total NAV' figure above may be low. This is due to challenges in obtaining third-party data, and we are improving our capability to look through into the underlying holdings for future reporting.

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Fund Emissions Metrics

#	Metric	Definition	Scope	2024		2023		2022	
				Value	Coverage (%)	Value	Coverage (%)	Value	Coverage (%)
1	Total Carbon Emissions	The absolute greenhouse gas emissions of a portfolio, expressed in tonnes CO_2e	Scope 1 & 2	-	-	-	-	1,621.7	81.3
			Scope 3	-	-	-	-	12,393.4	81.3
			Total (1,2 & 3)	-	-	-	-	14,015.1	81.3
2	Carbon Footprint	Total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tonnes CO_2e/£M invested	Scope 1 & 2	-	-	-	-	63.0	83.2
			Scope 3	-	-	-	-	477.8	81.3
			Total (1,2 & 3)	-	-	-	-	510.7	79.9
3	Weighted Average Carbon Intensity (WACI)	Portfolios exposure to carbon-intensive companies, expressed in tonnes CO_2e/£M revenue	Scope 1 & 2	-	-	-	-	535.8	88.1
			Scope 3	-	-	-	-	921.3	93.0
			Total (1,2 & 3)	-	-	-	-	1,440.9	90.1

The following data quality metrics are relevant to the **'Total Carbon Emissions'** metric above

#	Metric	Definition	Scope	Value (%)		
				2024	2023	2022
1	Data Reported	Amount of data collected from investee company reports, either directly or indirectly via third-party vendors	Scope 1 & 2	-	-	50.2
			Scope 3	-	-	0.0
2	Data Estimated Internally	The amount of data that is estimated by Schroders using an internal methodology	Scope 1 & 2	-	-	0.0
			Scope 3	-	-	0.0
3	Data Estimated Externally	The amount of data that is estimated by the third-party vendor	Scope 1 & 2	-	-	31.1
			Scope 3	-	-	81.3

Fund Implied Temperature Rise and Climate Value at Risk

We consider climate scenario analysis to be a valuable tool for better understanding a range of possible future states. It can inform investment decision-making and strategy for enhancing risk-adjusted returns, in light of expected climate-driven changes to the economy. The scenarios used are not intended to be predictions of the future, but rather highlight the risks and opportunities from different possible outcomes. The models assume no change or adaptation from companies over time. Furthermore, this analysis is based on a snapshot of current holdings and does not consider action to mitigate risk, such as engagement or asset reallocation. The analysis is based on the exposure to investments in publicly listed equity (common and preferred stock) and corporate bonds only.

The Implied Temperature Rise metric is provided by MSCI. It is not aligned with the CDP-WWF methodology Schroders uses for Group reporting to determine the alignment of in-scope holdings (listed equities, corporate bonds, REITs and ETFs) with its SBTi commitments. The Climate Value at Risk metrics align with those used in the Schroders plc TCFD report.

We have chosen to include quantitative Climate Value at Risk measures for all TCFD products to provide greater context to the qualitative descriptions provided by our investment teams. Their inclusion does not represent 'high' or 'concentrated' exposure to carbon-intensive sectors.

Fund Implied Temperature Rise

#	Metric	Definition	2024		2023		2022	
			Value (ºC)	Coverage (%)	Value (ºC)	Coverage (%)	Value (ºC)	Coverage (%)
1	Implied Temperature Rise	ITR of the global economy by 2100 if it adhered to the same ratio of undershoot/overshoot of the portfolios aggregated carbon budget[1]	-	-	-	-	2.8	96.7

Fund Scenario Analysis

#	Scenario	Definition	Climate Value at Risk (VaR)						Impact to the fund
			2024		2023		2022		
			Value (%)	Coverage (%)	Value (%)	Coverage (%)	Value (%)	Coverage (%)	
1	Orderly Scenario	Aggregated physical and transition risk under a scenario where global warming is limited to 1.5°C by 2100	-	-	-	-	-14.4	84.9	Under this scenario, we expect the fund to experience value at risk. The funds negative VaR is driven primarily by its US energy and utilities exposure. Although the largest detractor, by far, results from the exposure to energy, the Fund's exposure to the utilities and communication services industries are also negative contributors. The fund performs worse than its benchmark, with an active score of -2.5%.

#	Scenario	Definition	Climate Value at Risk (VaR)						Impact to the fund
			2024		2023		2022		
			Value (%)	Coverage (%)	Value (%)	Coverage (%)	Value (%)	Coverage (%)	
2	Disorderly Scenario	Aggregated physical and transition risk under a scenario where global warming is limited to 2.0°C by 2100	-	-	-	-	-23.5	84.9	Under this scenario, we expect the fund to experience value at risk. The funds negative VaR is increased in comparison to the orderly scenario as the underlying holdings are more exposed to transition risks vs. physical risks. There is a strong negative impact to the fund due to the US energy exposure which is driving this negative score as these holdings have negative transition risk values due to high negative policy risk values. The fund performs worse than its benchmark, with an active score of -1.9%.
3	Hot House World Scenario	Aggregated physical and transition risk under a scenario where global warming is limited to 3.0°C by 2100	-	-	-	-	-8.2	84.9	Under this scenario, we expect the fund to experience value at risk but to a lesser extent than the previous scenario (the disorderly transition scenario). The funds negative VaR is driven primarily from physical risks across a variety of industries, most notably communication services, financials, utilties and energy. The fund performs worse than its benchmark, with an active score of -1.4%.

[1] 'Carbon budget' refers to the budget of GHG emissions allocated to the global economy in order to limit global warming to below 2.0°C by 2100 versus pre-industrial levels. This budget is then allocated to each individual company and aggregated to the portfolio. 'Undershoot/overshoot' refers to the aggregated amount that the portfolio is projected to either undershoot or overshoots its allocated 'carbon budget.' *Certain information ©2022 MSCI ESG Research LLC. Reproduced by permission.*

Material Deviations from Group Level Approach

None

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