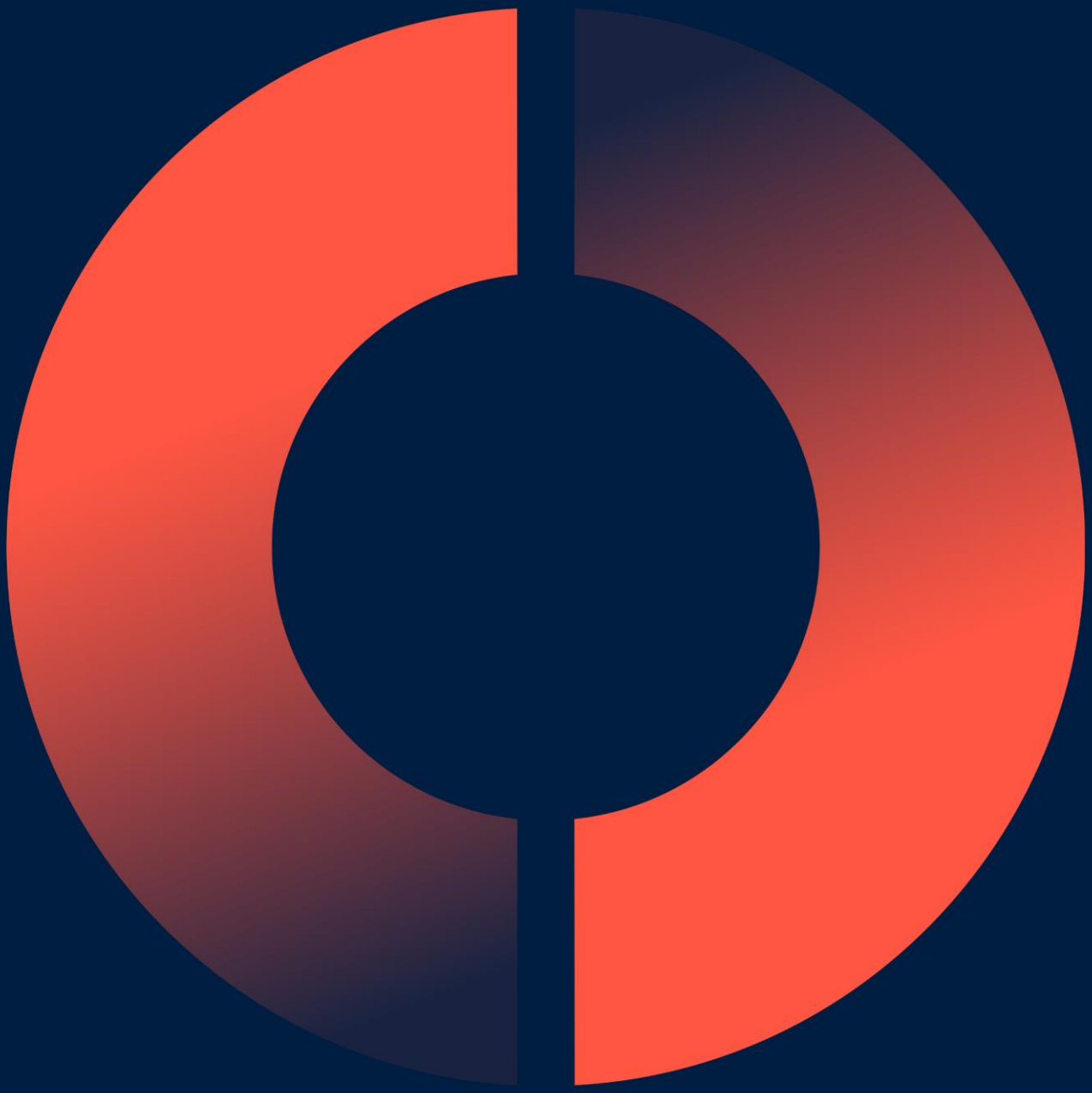
SCHRODERS CAPITAL UK REAL ESTATE FUND (SCREF)

Q3 2022 Quarterly Factsheet



Schroders capital

Marketing material for professional clients only.

Investment objective

SCREF's performance objective is to outperform its benchmark[1] by 0.5% per annum, net of fees, over rolling three year periods, although this is not guaranteed over this or any other period

Performance

Performance (%)	3 months	12 months	3 yrs (p.a.)	5 yrs (p.a.)	10 yrs (p.a.)	Q4 20 Q4 21	Q4 19 Q4 20	Q4 18 Q4 19	Q4 17 Q4 18	Q4 16 Q4 17
SCREF[2]	-3.0	9.6	6.6	6.4	8.6	16.2	-0.4	2.1	7.3	11.1
Benchmark[1]	-4.0	13.3	7.6	6.8	8.1	19.1	-1.0	1.6	6.5	10.2

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 amount originally invested.

Source: MSCI. [1]MSCI/AREF UK Quarterly All Balanced Open-Ended Property Fund Index. [2]Performance is calculated on a NAV to NAV price basis plus income distributed, compounded monthly, net of fees, gross of tax and based on an unrounded NAV per share.

Key information

Fund net asset value	Fund gross asset value	Average unexpired lease term to break	Average unexpired lease term to expiry
£2,569.1m	£2,731.1m	8.4 years	9.7 years

Cash[6]	Investment parameters	Number of holdings	Number of tenants
£31.4m	Compliant	52	657

Void rate[3]	Index-linked leases[5]	Debt (% NAV)	Net initial yield[3]
7.0%	17.0%	5.5%	4.2%

Reversionary yield[3]	Equivalent yield[3]	Gross distribution yield[4]	Quarter spot yield
5.1%	4.9%	3.2%	2.8%

Source: Schroders, 30 September 2022. [3]Includes all directly held properties joint ventures and indirect funds. Includes agreements for lease but excludes land and development. [4]Distributions payable in the twelve months to 30 September 2022 as a percentage of the latest net asset value per share (NAV). [5]As a percentage of total contracted income. [6]The cash figure is 'free' cash which is on-balance sheet, available cash, which is not allocated to capex projects.

Risk factors

- Property-based pooled vehicles, such as the Fund, invest in real property, the value of which is generally a matter of an independent valuer's opinion
- The price of shares and the income from them may fluctuate upwards or downwards and cannot be guaranteed
- It may be difficult to deal in the shares of the Fund or to sell them at a reasonable price because the underlying property may not be readily saleable, or because valuations may not be reliably determined in unusual market circumstances – thus creating liquidity risk. In addition, the payment of redemptions may be deferred for a maximum period of 24 months from the original Dealing Day for Redemption
- There is no recognised market for shares in the Fund and, as a result, reliable information about the value of shares in the Fund or the extent of the risks to which they are exposed may not be readily available
- A potential conflict with the Manager's duty to the shareholder may arise where an Associate of the Manager invests in shares in the Fund. The Manager will, however, ensure that such transactions are effected on terms which are not materially less favourable to the shareholder than if the potential conflict had not existed

Q3 2022 Summary

- SCREF's quarterly performance relative to its benchmark was +1.0%. Performance was attributable to the Fund's more resilient income and active asset management initiatives, including 47 new lettings, lease renewals and rent reviews. The Fund's relative underweight position to the industrial sector also contributed positively to relative performance as this sector saw the most significant quarterly valuation decline.
- SCREF achieved a 4* GRESB rating, having achieved a 3* rating last year. The improved score achieves one of SCREF's target sustainability KPIs. SCREF ranked 6th out of 81 in its GRESB peer group and achieved 100% on the management and governance score.
- The revolving credit facility ('RCF') has been increased to £300 million to progress the capex pipeline and development initiatives in order to deliver future performance.
- Carine Packer joined the SCREF team as Product Manager on 26 September 2022. Alongside Carine, Madeleine Mitchell joined the SCREF team on 15 September 2022 as a graduate real estate analyst.
- The Fund has been awarded the 2022 AREF Quality Mark, 'The Gold Standard in Corporate Governance'.

Strategy

SCREF's key strategic priorities for 2022 are:

- Build income and total returns through active asset management.
- Deliver inherent opportunities within the Fund.
- Crystalise profit on assets where the business plan has completed.
- Efficient delivery of the liquidity management strategy to protect the interests of all investors.
- As an SFDR[1] Article 8[2] equivalent fund, deliver on the three binding commitments to sustainability incorporated within it's stated investment policy.

[1]Regulation (EU) 2019/2088 on Sustainability-related Disclosures in the Financial Services Sector ("SFDR")
[2]A fund that has environmental and/or social characteristics within the meaning of Article 8 of SFDR

Performance Update

SCREF generated an absolute total return in Q3 2022 of -3.0% versus the benchmark return of -4.0%, reflecting relative outperformance of +1.0%. Please note that past performance is not a guide to future performance and may not be repeated. SCREF's performance during the quarter was attributable to:

- **Resilient income**: SCREF maintains a robust, secure income stream generated from a diverse mix of tenants including the UK Government, Queen Mary University and Checkout.com.
- **Active asset management**: 28 new lettings, 18 lease renewals and one rent review were completed generating an additional £1 million of contracted rent per annum.
- **Industrial sector allocation**: The industrial sector saw the most notable valuation decline of all the sectors over the quarter. SCREF's relative underweight position to this sector therefore contributed to relative performance.
- **Self-storage performance**: SCREF's self-storage portfolio continues to see occupancy and revenue growth.

SCREF's performance outlook:

- **High quality portfolio generating defensive income:** 74.3% of SCREF's assets are located in London and the southeast; 33.0% of the office portfolio is let to government or higher education (increasing to 45.4% including the government pre-let at Two Ruskin Square in Croydon); low void rate of 6.6% down from 7.0% last quarter; long unexpired lease term of 8.4 years to earliest termination.
- **Well hedged against inflation:** 17.1% of contracted income benefits from index-linked reviews, increasing to 24.8% on completion of Two Ruskin Square.
- Works continue at our key development sites, including the construction of Two Ruskin Square in Croydon. The asset is expected to complete in June 2023 and will be occupied by the Government on a 25 year lease. This highly sustainable, flagship project is part of SCREF's commitment to regenerate Croydon town centre, and will increase SCREF's government exposure from 10.2% to 18.5% of contracted income.
- Our development at One Cambridge Square recently reached a key development milestone by 'topping out' during Q3 2022. The scheme is seeing strong leasing interest ahead of completion in late 2022 / early 2023.
- Construction is shortly to begin at Revolution Park in Wolverhampton, which is fully pre-let to DPD on a 25 year lease and will be developed to BREEAM "Excellent" and Net Zero Carbon standards.
- SCREF continues to push forward with our committed pipeline of projects as these will be accretive to Fund performance over the longer term.

PROFESSIONAL PENSIONS INVESTMENT AWARDS
WINNER
UK Core Property Manager of the Year
Schroders

CORPORATE GOVERNANCE QUALITY MARK 2022 AREF Code of Practice

3 Month Total Return

-3.0%

Benchmark 3 Month Total return

-4.0%

Relative performance

+1.0%

Increase in contracted rent

£1.0m

UK real estate market commentary

The Truss government leaves a mixed legacy. On the plus side, the energy price guarantee means that inflation is likely to peak at 10% rather than 13%, and slow to 4% by the end of next year. That will support consumer spending and reduces the risk of a wage-price spiral. On the downside, the short-lived plan for large, unfunded tax cuts damaged the UK's credibility and has put more pressure on the Bank of England to raise interest rates. We expect base rate to rise to 4.5% by March 2023 and the increase in finance costs is likely to trigger a fall in house prices and increase in corporate insolvencies. Schroders forecasts that GDP (total output) will fall over the next nine months, before recovering in the second half of 2023 as inflation moderates.

Commercial real estate returns are highly correlated with GDP and all property total returns switched from +4.1% in the second quarter of 2022 to -4.0% in the third quarter[1], as the economy weakened. The reversal was due to a widespread increase in real estate yields, which depressed capital values. The all property initial yield rose by 0.25% to 4.3% between June and September and capital values fell by 5.1%.

The initial phase of the correction in capital values was caused by a sharp change in sentiment and associated decline in liquidity. The total value of transactions in the third quarter of 2022 was 30-40% lower than in the first quarter. In part, this reflects the jump in finance costs which meant that many debt backed investors were priced out of the market. The total cost of hedged bank debt on good quality assets has doubled from 3.5% at the start of the year to 7%. At the same time, the sharp fall in equity and bond prices means that some institutions have became over-allocated to real estate (i.e. the denominator effect). In addition, although occupier demand remained positive in the third quarter, investors have become more pessimistic about prospects for future rental growth.

At this stage it is It is difficult to know how far capital values will fall, although we expect a smaller decline than during the GFC. On the one hand, the high rate of inflation and limited amount of new building should prevent a fall in rental values, at least in nominal terms. We forecast that rental values will fall by 1-2% in 2023, and then stabilise in 2024. On the other hand, the parity between the all property initial yield and the 10 year government bond yield is unlikely to satisfy investors. Assuming the 10 year bond yield settles at around 4.25%, we expect the all property initial yield to increase to 5.5% by mid-2023. While the fall in sterling versus the dollar has made UK real estate more attractive to US and Asian investors, history suggests that they will wait until there is greater certainty on the economy before deploying capital. Our working assumption is therefore that capital values will decline on average by 15-20% between end-2021 and end-2023.

Which assets will be most defensive? While it is possible that yields rise by the same amount across the market, hitting prime assets harder, we expect that investors will become more risk averse and that spreads between prime and secondary yields will widen. Furthermore, prime assets are less likely to suffer an increase in vacancy and a resultant decline in operating income. That was the main reason why prime out-performed secondary in both the early 1990s and during the GFC.

We think the assets which are likely to be most defensive over the next 18 months are those with decent demand and supply fundamentals, and good prospects for rental and income growth over the long-term. These include bulky goods retail parks and high quality offices in Bristol, Leeds, London, Manchester and the Oxford-Cambridge Arc. Although the industrial sector is currently seeing the sharpest fall in values, as debt back buyers withdraw, we believe that good quality multi-let estates in urban areas will be relatively resilient in 2023, given good demand from parcel firms and trade counters. We think that certain niche sectors benefitting from long-term structural changes will be relatively defensive including life sciences, self storage, social supported housing and student halls.

Conversely, we think that the sectors and assets which are most exposed to rising interest rates are those with relatively fixed, or insecure income streams. These include secondary shops and shopping centres, dedicated conference hotels, offices in secondary locations and, more generally, any building with poor energy efficiency. Increasing construction costs and the tightening in bank loan terms is also likely to depress prices for land and re-development projects.

[1]CBRE UK Monthly Index

Fund commentary and key activity

Transaction update

As mentioned in the Q1 and Q2 2022 factsheets, contracts have been exchanged to sell Jubilee House in Stratford, East London, in line with business plan. Whilst contractual completion was previously contracted on (or before) 14 April 2023, subject to satisfying various conditions, we are now pleased to advise that all conditions for completion have been satisfied, and an earlier completion date of 15 December 2022 has been agreed. The buyer has paid a 5% deposit and the net price, adjusting for all related sale costs, remains unchanged at £63 million. The disposal should realise a total return of 24% per annum during SCREF's ownership. This compares with the benchmark total return for MSCI Rest of London Offices of 9.4% per annum over the same period.

Key asset management initiatives

The Fund experienced strong levels of leasing activity across the portfolio during Q3 2022, completing a total of 28 new lettings, 18 lease renewals and one rent review during the quarter generating an additional £1 million per annum in contracted rent.

The 47 lease events completed over the quarter builds on positive activity earlier in the year, where 32 lease events completed during Q1 2022 and 30 during Q2 2022. There is a healthy pipeline of activity across the portfolio, and the team are focussed on increasing income resilience at a time of heightened market uncertainty and volatility.

Industrial

Six industrial and logistics leasing transactions were completed over the quarter at Hartlebury, Oakwood and Acorn industrial estates. Most notably, the Crossways development at Hartlebury was fully-let within five months of practical completion, 17% ahead of the ERV adopted within the development underwrite. The development achieved BREEAM 'Very Good' and an EPC 'A' rating, positively contributing to SCREF's sustainability credentials. Across the industrial and logistics UK-wide portfolio, occupancy levels have reached 98% and there continues to be strong demand for space across the portfolio from existing and prospective tenants.

Offices

Total leasing activity included seven new leases and six lease renewals. Of note, eight leasing transactions were completed in City Tower, Manchester, securing £262,279 of contracted rent per annum.

Retail & Leisure

Following positive leasing activity across the SCREF retail and leisure portfolio in Q3, including 17 new leases and 11 lease renewals, occupancy levels have reached 93%. SCREF completed lettings to leading operators Turtle Bay and Wagamama at The Brewery in Romford taking The Brewery to 98% let by ERV. A combined 22,041 sq ft of new lettings have been agreed at The Lexicon in Bracknell across 19 leasing transactions, taking occupancy across the asset to 90%.

Occupier engagement and rent collection

CBRE rent collection stands at 98% across the portfolio within two weeks of the September quarter day, aggregated for properties they manage on behalf of SCREF. This compares to 95% for the June quarter day.

Jubilee House, Stratford

Jubilee House - CGI, Stratford

Fund updates

Liquidity management - We have in place a robust liquidity management strategy to protect the interests of all investors and the Fund in current market conditions.

As mentioned above, the sale of Jubilee House in December is expected to generate sale proceeds of £63 million to SCREF. Assuming this disposal completes as planned, it is expected that sale proceeds will be allocated towards payment of outstanding redemptions that were partially deferred from the 3 October dealing day.

In line with the liquidity management strategy, the team continues to progress selective asset disposals. These are focused on where business plans have been completed and/or where disposals contribute to optimise sector allocation for the Fund.

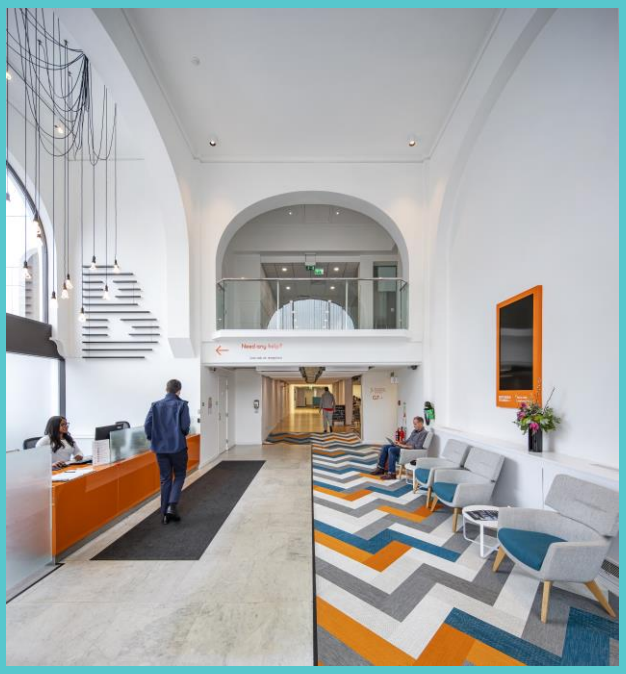
Secondary market - Promoting an active secondary market remains an important tool when managing the Fund's liquidity. SCREF completed £8 million of secondary trades over Q3 2022, bringing the year to date total to £89 million.

Revolving Credit Facility - SCREF's revolving credit facility ('RCF') was increased to £300 million from £200 million, of which £187 million remains undrawn. A significant proportion of the undrawn facility is allocated to the contracted and planned capital expenditure pipeline, including Two Ruskin Square in Croydon and One Cambridge Square in Cambridge. The RCF was extended to ensure sufficient liquidity to progress planned capex and development initiatives in the portfolio.

Q3 2022 Investor webinar and redemption update – A formal update on redemptions received in Q3 2022 and progress with the liquidity management strategy will be provided at the forthcoming Q3 2022 investor webinar. Investors will receive an invitation and further details to register via email shortly.

SCREF Team changes

Carine Packer joined the SCREF team as Product Manager on 26 September 2022. Carine will support the UK team with strategic and ongoing client and product management. Alongside Carine, we also welcomed Madeleine Mitchell to the SCREF team in September. Madeleine has recently completed an MSc in Real Estate at Henley Business School, University of Reading, and joins us as a graduate real estate analyst.



Battersea Studios, London

Crossways Development, Hartlebury Trading Estate

The Brewery, Romford

Sustainability

Strategy

To deliver a high quality portfolio benefitting from resilient sustainability credentials which will remain fit-for-purpose as tenant requirements continue to evolve.

SCREF is an SFDR Article 8 equivalent fund, with three binding commitments to sustainability incorporated within it's stated investment objective.

EPC coverage

SCREF continues to work towards aligning 100% of the portfolio with EPC compliance by the MEES deadline in April 2023. During Q3 2022, SCREF has instructed EPC surveys to be undertaken at Ruskin Square, AMP House, Battersea Studios, Oakwood Business Park and Kensington Village.

Progress against targets

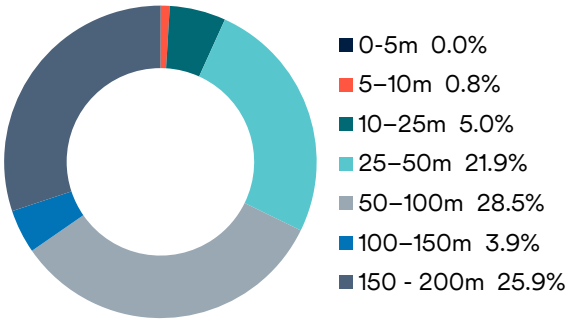
- SCREF has achieved a 4* GRESB rating, positioning SCREF 6th out of 81 in its peer group. The improved score means the Fund has achieved one of its target sustainability KPIs set out in the RCF agreement. SCREF obtained full marks for the management metric, with improved scores for leadership, risk assessment and building certification.
- Our investment and sustainability teams continue to work towards establishing Net Zero Carbon pathways for all assets within SCREF.
- We continue to progress sustainability accreditation across the portfolio. Completion of recent works at Battersea Studios has increased the WiredScore accreditation from Silver to Gold and progress is underway to securing Fitwel accreditations at Ruskin Square and Hartlebury Trading Estate.
- Working with our lead property manager, CBRE, the Phase one roll out of the 'S:Connect' occupier app has begun across an initial 10 assets in the portfolio. The implementation of S:Connect will provide occupiers with an array of hospitality-driven services and amenities, contributing to SCREF's wider sustainability strategy. Phase one portfolio assets include: Battersea Studios, Wenlock Works, Davidson House, Mermaid Quay, Hartlebury Trading Estate and Acorn Industrial Park.

The Lexicon, Bracknell

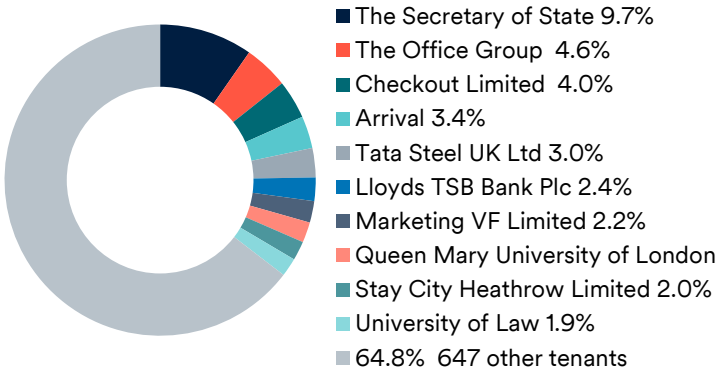
Portfolio overview

Segment	Absolute segment positions, %		Relative segment positions, %	
	SCREF	Benchmark	Underweight	Overweight
Offices – Central London	10.0	10.8	-0.8%	
Offices – South East[2]	31.4	8.9		22.5%
Offices – Rest of UK	3.8	5.0	-1.2%	
Industrial – South East	21.5	27.3	-5.8%	
Industrial – Rest of UK	8.4	14.1	-5.7%	
Standard retail – South East	3.2	4.5	-1.3%	
Standard retail – Rest of UK	1.6	1.7	-0.1%	
Shopping centres	0.5	0.7	-0.2%	
Retail warehouses	7.9	11.1	-3.2%	
Other	8.4	10.7	-2.3%	
Cash	3.3	5.2	-1.9%	

Lot size bands, by GPV



Tenant profile, % contracted rent



City Tower, Manchester

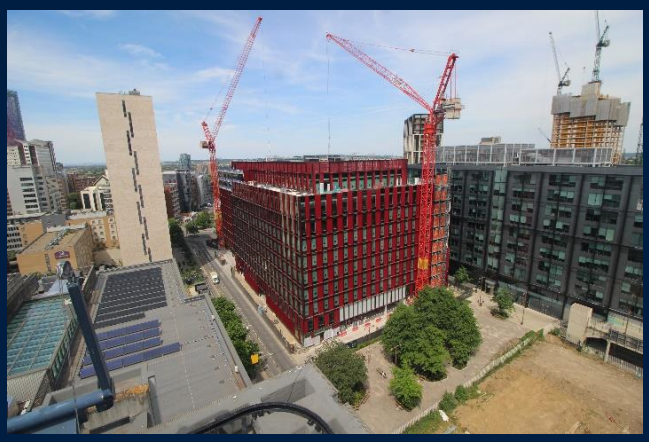
Wenlock Works, London

Top Ten Holdings	Sector	ESG Credentials	Key attributes	% of NAV
One Ruskin Square, Croydon	Offices	BREEAM Excellent	19 year WAULT to break, 100% of office space let to UK Government	8.5%
Two Ruskin Square, Croydon	Offices	BREEAM Outstanding (target), NABERS Pioneering Project	100% of office space pre-let to UK Government on 25 year lease, rent index-linked to RPI	6.8%
Acorn Industrial Estate, Crayford	Industrial		Reversionary, dominant southeast estate with future development opportunity	6.3%
Wenlock Works, London	Offices	BREEAM Excellent	61% of passing rent index-linked to RPI.	6.1%
Bracknell Town Centre, Bracknell	Retail and Office	BREAAM Outstanding at Waitrose	Fit for purpose, modern retail centre in affluent catchment at affordable rents	4.0%
Hartlebury Trading Estate, Worcestershire	Industrial		Reversionary estate, with pipeline of development sites	4.0%
One Lyric, Hammersmith	Offices	BREAAM Excellent	15.8 year WAULT, 100% let.	3.8%
X2, London	Industrial		Unique location adjacent to Heathrow Airport, fully let and reversionary scheme	3.7%
Woking Business Park, Woking	Industrial		Reversionary south-east estate with low void	3.3%
City Tower, Manchester	Mixed Use	BREEAM Very Good WiredScore Platinum	City centre scheme including office, hotel and retail close to key transport links.	3.0%

Source: Schroders, 30 September 2022, figures subject to rounding.

[1]Positions relative to AREF/MSCI UK Quarterly Property Fund Index – All Balanced Open-Ended Property Fund Index. Absolute deviation vs. benchmark is 49.2%. [2]Of SCREF's 30.8% allocation to South East offices, 44.9% comprises offices let or pre-let to the UK Government in Croydon (including Two Ruskin Square, Croydon). [3]GPV: gross property value; Look through analysis. The sectors, securities, regions and countries shown above are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

X2, Heathrow



Two Ruskin Square, Croydon

Shareholder information

Minimum investment	£100,000
Total expense ratio (TER)[1]	0.85%
Annual management charge (AMC)	Tiered structure with discounts for scale Headline rate of 0.70% per annum
Frequency of pricing	Monthly
Valuation point	8am on the first business day of each calendar month
Distribution frequency	Monthly paid last business day
Distribution yield (% NAV)[2]	3.2%

Shareholder dealing

Subscriptions	Monthly
Redemptions	Quarterly, subject to 3 months' notice at quarter end
Dealing cut off	12 noon on the last Business Day of the calendar month
Secondary market dealing	Please phone Carine Packer on +44 (0)207 658 7616
Number of shares in issue	48,790,904
NAV per share	£54.30
Offer price per share	£56.74
Bid price per share	£53.51
Pricing methodology	Dual priced
Offer spread[3]	NAV +4.5%
Bid spread[3]	NAV -1.5%
Number of new shares issued – Q3 2022	105,494
Number of shares redeemed – Q3 2022	82,242
Number of shares matched – Q3 2022	149,680

Related party holdings

Related party	Shareholding
None	

Fund literature

Sustainable Investment	https://www.schroders.com/en/uk/realestate/products--services/sustainability/
SCREF Prospectus	http://www.schroders.com/sref
Audited Annual Report and Accounts	http://www.schroders.com/sref
Dealing forms	http://www.schroders.com/sref

Investment parameters

Legal limits	PAIF Limit (%)	Current status (%)
Minimum % of assets (NAV) forming Property Investment Business	60%	100%
Minimum % of income from Property Investment Business	60%	100%
Aggregate exposure to indirect investment	40%	0.3%
Investment in a single asset	15%	8.5%
Commitment to development[4]	20%	8.1%
Borrowing[4]	25%	5.5%
Shorter/medium term leaseholds (< 50 years)[4]	20%	0.0%
Speculative development	15%	1.3%

Fund codes

	ISIN	SEDOL
Schroders Capital UK Real Estate Fund (gross)	GB00B8215Z66	B8215Z6
Schroders Capital UK Real Estate Fund (net)	GB00B8FPXR30	B8FPXR3
Schroders Capital UK Real Estate Fund Feeder Trust	GB00B8206385	B820638

[1]Calculated in accordance with industry standard Association of Real Estate Fund guidelines which include fees charged by the Investment Manager, Property Adviser, Depositary, Registrar, Auditor, Legal Adviser and Valuation Agent. [2]Calculated gross of tax, net of fees and expenses. Distributions are paid monthly on the last business day of each calendar month. Yield presented is annualised backwards-looking distribution yield. [3]Offer and bid spreads are reviewed monthly and are subject to change. [4]On/off balance sheet.
Source: Schroders, 30 September 2022.

Further information

Carine Packer
Manager, Real Estate Capital
carine.packer@schroders.com
+44 (0)20 7658 7616

For general enquires and placing trades

HSBC
Registrar

Phone: +44 (0)345 030 7277
SREF@hsbc.com

For all fund servicing queries

For your security, communications may be taped or monitored.

Important information

For professional clients only. 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 amount originally invested.

The Schroders Capital UK Real Estate Fund is authorised by the Financial Conduct Authority (the 'FCA') as a Qualified Investor Scheme ('QIS'). Only investors to whom a QIS can be promoted, as specified in COBS 4.12.4R of the FCA's Handbook, may invest in Schroders Capital UK Real Estate Fund. A QIS may not be promoted to a member of the general public. Investors and potential investors should be aware that past performance is not a guide to future returns. No warranty is given, in whole or in part, regarding the performance of the Fund and there is no guarantee that the investment objectives of the Fund will be achieved.

This information is not an offer, solicitation or recommendation to buy or sell any financial instrument or to adopt any investment strategy. Information herein is believed to be reliable but we do not warrant its completeness or accuracy. Any data has been sourced by us and is provided without any warranties of any kind. It should be independently verified before further publication or use. Third party data is owned or licenced by the data provider and may not be reproduced, extracted or used for any other purpose without the data provider's consent. Neither we, nor the data provider, will have any liability in connection with the third party data.

The material is not intended to provide, and should not be relied on for accounting, legal or tax advice. Reliance should not be placed on any views or information in the material when taking individual investment and/or strategic decisions. No responsibility can be accepted for error of fact or opinion. Any references to securities, sectors, regions and/or countries are for illustrative purposes only. Any investment in the Fund must be based solely on the prospectus, or any other document issued from time to time by the Manager of the Fund in accordance with applicable laws. Schroders has expressed its own views and opinions in this document and these may change.

The forecasts included should not be relied upon, are not guaranteed and are provided only as at the date of issue. Our forecasts are based on our own assumptions which may change. We accept no responsibility for any errors of fact or opinion and assume no obligation to provide you with any changes to our assumptions or forecasts. Forecasts and assumptions may be affected by external economic or other factors.

The fund has environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 on Sustainability-related Disclosures in the Financial Services Sector (the "SFDR").

The Company is generally exempt from UK tax on capital gains realised on the disposal of its investments (including interest paying securities and derivatives). Overseas investors, depending on their tax status, may be liable to capital gains tax (or corporation tax) upon disposal of their holding. Investors who qualify as exempt (including overseas qualifying pension funds, charities and sovereign wealth funds) will benefit from full exemption. Schroders does not provide tax advice and investors should seek advice from professional advisers.

Schroders will be a data controller in respect of your personal data. For information on how Schroders might process your personal data, please view our Privacy Policy available at www.schroders.com/en/privacy-policy or on request should you not have access to this webpage. Issued by Schroder Unit Trusts Limited, 1 London Wall Place, London EC2Y 5AU. Registration No. 4191730 England. Authorised and regulated by the Financial Conduct Authority. UP000628