

24 January 2025

Dear Sir/Madam,

Schroder Global Cities Real Estate: Sustainability Focus label

We are writing to inform you of changes to Schroder Global Cities Real Estate (the "Fund"), in which you are invested.

The changes described in this letter will take effect from 1 April 2025 (the "Effective Date").

The changes do not require unitholder approval and you do not need to take any action. However, we encourage you to read this letter as it contains important information about your investment.

Proposed changes and rationale

With effect from the Effective Date, the "Sustainability Focus" label will be applied to the Fund. This is one of four new fund labels introduced under the Financial Conduct Authority's Sustainability Disclosure Requirements ("SDR"), which are designed to indicate whether a fund is aligned with a particular sustainability goal. The Sustainability Focus label can be used by funds that aim to invest at least 70% of their portfolios in assets that are environmentally and/or socially sustainable. To demonstrate that the Fund meets the new qualifying criteria for the label, a number of changes will be made:

- 1. Updates to the investment objective** – to align with the requirements for sustainability objectives under SDR. Detail will be added on the positive sustainability outcome to be sought by the Fund and how this will be measured.
- 2. Updates to the investment policy** – to reflect:
 - **A new commitment to invest at least 90% of the Fund's assets in line with a robust, evidence-based standard of sustainability.** Detail will be added to the investment policy on the approach used to meet the Fund's new sustainability objective.
 - **Cross references to new detailed content on sustainability.** We will present the additional disclosures required under SDR after the investment objective and policy for ease of reference for



investors, and we will include some cross references to this content within the investment policy to aid navigation.

- 3. Addition of a new “Sustainability Criteria” section with detailed sustainability disclosures.** The new table will include additional content required under SDR.

The nature and purpose of the Fund will continue to be to seek exposure to real estate companies that support the development of global cities (with additional sustainability criteria now applied). The Fund’s risk profile will not change.

A breakdown of the changes to the investment objective and policy, as well as the unit classes affected by these changes, is shown in the Appendices to this letter. The new Sustainability Criteria table can be reviewed in the prospectus from the Effective Date.

From the Effective Date, we will also publish a new “**consumer facing disclosure**”, which is a two-page document designed to summarise the key sustainability features of the Fund and how it performs against its sustainability commitments. This can be accessed from the Effective Date via the Fund’s webpage: <https://www.schroders.com/en-gb/uk/individual/fund-centre/>

Costs

The costs and expenses associated with making these changes will be borne by Schroder Unit Trusts Limited.

Your options

We hope that you will remain invested in the Fund, but you are entitled to switch your units in the Fund for shares or units in another Schroders fund, free of any initial charge, at any time before the Effective Date.

Further information

If you have any questions or concerns about the changes, please contact your financial adviser. If you do not have a financial adviser you can find one in your area by visiting www.unbiased.co.uk Alternatively, you can call a member of our Investor Services Team on the number on the letterhead. Please be aware that Schroder Unit Trusts Limited does not offer investment advice.

Yours faithfully,



Paul Truscott
Director
Schroder Unit Trusts Limited

Appendix 1:

Please note: references to content “below” in the new investment policy relate to the Fund’s sustainability criteria table in the prospectus.

Current Investment Objective	New Investment Objective
<p>The Fund aims to provide income and capital growth in excess of the FTSE EPRA NAREIT Developed TR GBP (Net) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of real estate companies worldwide, this cannot be guaranteed and your capital is at risk.</p>	<p>The Fund aims to provide income and capital growth in excess of the FTSE EPRA NAREIT Developed TR GBP (Net) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of sustainable real estate companies worldwide that own assets in global cities. Sustainable real estate companies contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently. Companies can demonstrate this by prioritising initiatives such as renewable energy; energy efficiency; greenhouse gas (GHG) emissions reduction; effective water management; waste minimisation; responsible tenant and community engagement; setting sustainability targets; and managing their business in a sustainable way.</p>
Current Investment Policy	New Investment Policy
<p>The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of real estate companies worldwide which generate the majority of their earnings from real estate investment related activities. The Fund seeks exposure to companies that invest in cities that the investment manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes. The Fund may invest in real estate investment trusts.</p> <p>The Fund may also invest in collective investment schemes (including Schroder funds) that invest in equity and equity related securities of real estate companies, warrants and money market instruments, and may hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk and to manage the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).</p>	<p>The Fund is actively managed and invests at least 90% of its assets in equity and equity related securities of sustainable real estate companies worldwide which generate the majority of their earnings from real estate investment related activities and own assets in global cities. These are cities that have positive characteristics such as economic strength; strong transport infrastructure; high quality educational institutions; and an innovative business community, based on the investment manager’s assessment.</p> <p>Sustainable real estate companies contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently. A company can demonstrate its contribution to the development of these environments through meeting or exceeding the threshold for the ‘Green Star’ designation issued by GRESB¹, which is achieved by scoring at least 50% on both the performance and management components of the GRESB scorecard (the “Scorecard”). The Scorecard assesses a real estate company across the following factors:</p>

¹ GRESB 2024, All intellectual property rights to this data belong exclusively to GRESB B.V. All rights reserved. GRESB B.V. has no liability to any person (including a natural person, corporate or unincorporated body) for any losses, damages, costs, expenses or other liabilities suffered as a result of any use of or reliance on any of the information which may be attributed to it.



	<ul style="list-style-type: none">• Performance<ul style="list-style-type: none">○ Energy – includes total energy consumption and renewable energy generated.○ GHG emissions - includes total GHG emissions.○ Water – includes water consumption and reuse or recycling of water.○ Waste – includes total waste generation.○ Tenant and community wellbeing – includes tenant engagement programmes; community engagement programmes; and tenant health and wellbeing measures.○ Building certification – includes green building certifications at the time of design, construction or renovation; current green building certifications; and current energy efficiency certifications.○ Sustainability risk management – includes performance of environment/social risk assessments; technical building assessments for energy/ water/ waste; and energy/ water/ waste efficiency measures implemented.○ Sustainability data – includes confirmation of whether data on GHG emissions, water and waste has been independently verified.○ Sustainability targets – includes long-term sustainability improvement targets and GHG reduction targets.• Management<ul style="list-style-type: none">○ Leadership – includes public commitments to ESG leadership standards, ESG personnel and accountability.○ Policies – includes policies on specific ESG issues.○ Reporting – includes disclosures of ESG-related actions, performance, and incident monitoring.
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	<ul style="list-style-type: none"> ○ Risk management – includes ESG-specific risk management systems, policies and procedures. ○ Stakeholder engagement – includes employee, supplier and contractor ESG-related initiatives and monitoring. <p>In exceptional cases where the investment manager deems that the Scorecard does not provide a fair reflection of a company’s sustainability, or where GRESB has not assessed a company, the investment manager can refer the company to Schroders’ Sustainable Investment Panel (the Panel), an independent panel of experts. The Panel reviews additional robust evidence provided by the investment manager to determine whether, if such evidence was available within the Scorecard, the company would achieve a score of at least 50% on both components. This could be relevant where the Scorecard does not capture a relevant area of contribution – such as where the investment manager believes that a smaller company has strong sustainability credentials, but it does not submit data to GRESB due to resource constraints and therefore is not scored.</p> <p>Please see “What is the investment manager’s approach to sustainability?” below for more details on how the investment manager assesses sustainability and why it has determined that this approach is an appropriate way to identify companies that are sustainable.</p> <p>The Fund is not permitted to invest in any assets that conflict with the sustainability objective. Please see “What will the investment manager avoid investing in?” below for more details.</p> <p>The investment manager also engages with selected companies held by the Fund on sustainability issues. Please see “How does the investment manager engage with the investments it holds to support their contribution to the Fund’s sustainability objective?” below for more details.</p> <p>The Fund may invest in real estate investment trusts. The Fund may also invest in collective investment schemes (including Schroder funds) that invest in money market instruments; warrants; and may hold cash.</p> <p>The Fund may use derivatives with the aim of reducing risk and to manage the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the prospectus).</p>
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	<p>Further Information</p> <p>The Fund does not currently use derivatives to achieve investment gains. If the manager decides to use derivatives this way, this may result in a more volatile Unit price and so result in a higher degree of market risk, therefore the manager will give registered Unitholders appropriate notice if it decides to do so.</p>
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Appendix 2:

Unit classes

Fund name	Income / Accumulation	Class	ISIN
Schroder Global Cities Real Estate	Income	A	GB00B0LGTF49
Schroder Global Cities Real Estate	Accumulation	A	GB00B0LGSD59
Schroder Global Cities Real Estate	Income	L	GB00BDD2DR16
Schroder Global Cities Real Estate	Accumulation	L	GB00BDD2DQ09
Schroder Global Cities Real Estate	Income	L (GBP Hedged)	GB00BF780121
Schroder Global Cities Real Estate	Accumulation	L (GBP Hedged)	GB00BF785Q25
Schroder Global Cities Real Estate	Income	Z	GB00B1VPTW51
Schroder Global Cities Real Estate	Income	Z (GBP Hedged)	GB00BYX7J192
Schroder Global Cities Real Estate	Accumulation	Z	GB00B1VPTY75
Schroder Global Cities Real Estate	Accumulation	S	GB00BJRSVX97