SCHRODER EURO BOND FAM FUND

SUPPLEMENT DATED 1 DECEMBER 2022

This Supplement contains specific information in relation to **SCHRODER EURO BOND FAM FUND** (the "Fund"), a sub-fund of the **FAM SERIES UCITS ICAV** (the "ICAV"), an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and segregated liability between sub-funds, authorised by the Central Bank on 1 August 2018 pursuant to the UCITS Regulations.

This Supplement forms part of and should be read in the context of and in conjunction with the prospectus of the ICAV dated 1 December 2022 and the addendum thereto (together the "Prospectus").

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Investment Objective and Policies

The investment objective of the Fund to provide capital growth and income over the long term by investing in fixed and floating rate bonds denominated in Euro or hedged back to Euro.

The Fund seeks to achieve its investment objective while promoting environmental, social and governance (ESG) characteristics under Article 8 of SFDR as described in Annex II at the end of this Supplement. The Fund does not pursue a sustainable objective and thus it is not classified under Article 9 of SFDR.

The Fund will invest at least two-thirds of its assets in fixed and floating rate bonds issued by governments, government agencies, supra-nationals and companies worldwide. This estimate of the proportion of assets to be invested in bonds is indicative only as, for example, the Investment Manager may adjust the Fund's exposure to bonds in response to adverse market and/or economic conditions and/or expected volatility, when in the Investment Manager's view to do so would be in the best interests of the Fund and its Shareholders. The portfolio may invest in both Euro and non-Euro denominated issues on a currency hedged basis. The portfolio may invest up to 20% in non-Euro denominated issues hedged back to Euro, with 1% tolerance. The Fund will invest predominantly in Investment Grade bonds but may invest up to 30% of its assets in high yield bonds and fixed income bonds that have a below Investment Grade credit rating subject to a 2.5% limit per issuer for non-Investment Grade, as measured by highest of Moody/S&P/Fitch security rating and issuer rating if there is no security rating.

The Investment Manager uses a top down, thematic investment process that considers both economic factors (e.g. economic growth, monetary and fiscal policy, interest rates and inflation) and market-based factors (positioning, sentiment and asset flows) when investing in fixed income markets. Furthermore, in terms of corporate bonds the Investment Manager will select the corporate bonds to be acquired by focusing on fundamental credit analysis of corporate issuers on both an absolute and a relative basis. Quantitative and qualitative methods are used to analyse the credit standing of corporate issuers and the Investment Manager will use the output of this analysis to identify investment opportunities, taking into consideration factors such as the level of credit spreads, market supply and demand imbalances of credits, and liquidity. When an investment is made it will be closely monitored, taking into account the quantitative and qualitative analysis outlined above, and the investment rationale for retaining the investment will be kept under review by the Investment Manager. For government bonds the Investment Manager will similarly focus on fundamental credit analysis of government issuers on both an absolute and a relative basis. Such credit analysis will result in a fundamental appraisal of country's financial health and assessment of the probability of sovereign default and estimate loses in such a default scenario.

Other than permitted investment in unlisted securities and FDIs, the Fund's investments will be limited to securities and exchange traded FDIs that are traded on the markets listed in Schedule I of the Prospectus. The Fund is subject to a maximum issuer limit of 10% for non-government issuers. For government issues the Fund may invest up to 30% in a single issue. The Fund may invest up to 10% of its assets in contingent convertible bonds.

No more than 10% of the Fund's Net Asset Value may be invested in units or shares of Underlying Funds within the meaning of Regulation 68(1)(e) of the UCITS Regulations and the purpose of such investment is to gain exposure to the types of investments described herein.

The Fund may also hold cash and invest in money market instruments, including and not limited to certificates of deposit, time deposits commercial paper and short term fixed and floating rate bonds with less than 365 days to maturity, and financial derivative instruments.

Benchmark Information

From time to time, the Manager, considering the degree of representativeness of underlying markets and their liquidity, strategically selects a benchmark or index (the "Index") appropriate to the Fund's investment policies, in reference to which the Fund is then managed and compared to which the Fund will seek to achieve a similar rate of return, gross of fees. Currently, the Fund is actively managed in reference to the Bloomberg EURO Aggregate Index. The Manager does not intend to replicate the composition of such Index and may at all times exercise total freedom by investing in securities which are not included in the referenced Index or which are present in different proportions.

"Bloomberg®" and the above Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the Index (collectively, "Bloomberg"), and have been licensed for use for certain purposes by the ICAV. Bloomberg is not affiliated with the ICAV, and Bloomberg does not approve, endorse, review, or recommend the Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Fund.

Use of Financial Derivative Instruments (FDI) and other Instruments and Techniques

The Fund may use FDI for investment purposes. The Fund may also engage in transactions in FDI for the purposes of efficient portfolio management and hedging.

The types of FDIs that the Fund may use are: total return swaps, credit default swaps, interest rate and inflation swaps and options, futures and forwards, options, FX forwards, and CDS options on indices and single issuers and the underlying assets of FDIs will be limited to those investments that the Fund may acquire in accordance with its investment policy. The expected effect of the use of these instruments will be to enhance returns and/or reduce inherent risks affecting the Fund's investments and efficient portfolio management. For information in relation to the risks associated with the use of FDIs, please refer to the "Risk Factors" section of the Prospectus.

Total Return Swaps: The Fund may enter into total return swaps to gain exposure to the instruments in which it may invest according to its Investment Objective and Policy (see above). In particular, total return swaps may be used to gain long and short exposure on fixed and floating rate securities. The Fund may also take options on such total return swaps. The Fund's maximum exposure to total return swaps, based on the notional value of such instruments, is 30% of its Net Asset Value and is anticipated that the Fund will have exposure in the range of 0% to 10% of its Net Asset Value through total return swaps. In certain circumstances this proportion may be higher. The counterparties to the total return swaps will be selected by the Investment Manager in light of the risk profile and investment policy of the Fund. Any counterparty used for the purposes of the total return swap will be an eligible counterparty for the purposes of the UCITS Regulations.

Credit Default Swaps ("CDS"): The Fund is expected to be a buyer of credit default swaps which will be used for investment purposes and in order to hedge against credit risk. The Fund is permitted to take synthetic long and short exposure to cash bonds using CDS and options on CDS and CDS indices.

Interest Rate Swaps: The Fund will use interest rate swaps and options on interest rate swaps for investment purposes and to gain exposure to changes in relevant interest rates.

Inflation Swaps: The Fund will use inflation swaps for investment purposes and to gain exposure to changes in relevant inflation expectations.

Futures and Forwards: Futures and forwards, and options on futures and forwards, may be used to hedge against downward movements in the value of the Fund's portfolio and to gain exposure to changes in relevant interest rates, either by reference to specific securities such as bonds and money market instruments or markets to which the Fund may be exposed.

Options: The Fund may acquire options and in particular call options may be used to gain exposure to individual bonds that the Fund may acquire in accordance with its investment policy such as bonds or to gain exposure to interest rates and can provide an efficient, liquid and effective mechanism for taking a position insecurities or to hedge interest rate movements. Put options may be used to reduce exposure to bond markets and to hedge against downside risk or to hedge against interest rate movements by permitting the Fund to sell investments at a fixed price and thereby protect the value of its portfolio in circumstances of a selloff and decline in market values.

FX Forwards: The Fund may use FX forwards for investment purposes, for Efficient Portfolio Management and for hedging. The Fund is primarily hedged back to its base currency. The Fund does not take active FX exposure.

Exposure to Indices: The Fund may take exposure to indices through the use of CDS as outlined above. The exposure to indices, if any, will comply with the conditions and limits set down in the Central Bank's guidance entitled "UCITS Financial Indices". When an index does not comply with the diversification requirements established by the UCITS Regulations, the Fund will apply a "look-through" approach which allows the Manager to analyse the Fund's exposure to the Index by looking through the derivative position which gives the Fund the relevant indirect exposure to the underlying indices. This allows the Fund to ensure that it meets the risk spreading requirements of the UCITS Regulations. Following this "look through" analysis, if the Fund's consolidated exposure does not meet the risk spreading requirements of the UCITS Regulations, the Fund will have to address this by reducing said exposure. It is not possible to identify the specific indices that the Fund will take exposure to (which may change from time to time), however, the underlying assets of such indices will be corporate or government bonds that the Fund may acquire in accordance with its investment policy. The Investment Manager will not use indices that rebalance more frequently than monthly; such rebalancing is not expected to have a material effect on the costs incurred within the index. The indices, if any, that the Fund takes exposure to will be included in the financial statements of the ICAV and details of the indices, including details of websites where additional information can be obtained, will be available to Shareholders upon request from the Manager.

Long/Short Exposure: The Fund will not directly short securities but instead may as part of its investment strategy hold short positions exclusively through derivatives including through total return swaps and credit default swaps on currencies, interest rates or bonds. The Fund may take long derivatives positions in any of the assets described in these investment policies. The Fund may take short investment positions in currencies, interest rates or bonds deemed to be overvalued based on the Investment Manager's quantitative and qualitative research process. The Fund may also take short positions to hedge long positions in currencies, interest rates and bonds, in order to try to mitigate volatility and preserve the value of the Fund. The expected maximum level of long derivative positions which the Fund may hold is 1000% of its Net Asset Value, measured on a gross basis using the sum of notionals of the derivatives held by the Fund. The expected maximum level of short derivative positions which the Fund may hold is 1000% of its Net AssetValue, measured on a gross basis using the sum of notionals of the derivatives held by the Fund.

Securities Lending Agreements: Securities lending is the temporary transfer of securities by a lender to a borrower, with agreement by the borrower to return equivalent securities to the lender at pre-agreed time. These agreements will only be used for efficient portfolio management to enhance overall returns to the Fund through the receipt of finance charges for the lending of its securities and are subject to the conditions and limits set out on the Central Bank UCITS Regulations. The Fund's exposure to securities lending transactions is expected to be 5% of the Fund's Net Asset Value, subject to a maximum exposure of 30% of the Fund's Net Asset Value.

Risk Management - Global Exposure and Leverage

Market risk created through the use of derivatives will be measured daily using the relative value-at-risk (VaR) approach. VaR is a risk measurement technique designed to estimate the potential loss in the Fund's portfolio over a set period at a certain confidence level, and is based on statistical analysis of historical price trends and volatilities. The VaR of the Fund's portfolio is measured relative to the VaR of the Bloomberg EURO Aggregate Index, a benchmark which the Investment Manager considers is a comparable benchmark to the Fund's portfolio. In compliance with the UCITS Regulations, the relative VaR of the Fund's portfolio shall not exceed twice the VaR of the Bloomberg EURO Aggregate Index, as determined daily using a one- tailed confidence interval of 99%, a holding period of one month and a historical observation period of at least 1 year.

The level of gross leverage, calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the requirements of the Central Bank, is expected to be 500% of the Fund's Net Asset Value. There is a possibility of higher leverage levels than this expected level. The expected level of leverage is calculated based on the sum of the absolute value of notionals of the derivatives used, does not take into account any netting and hedging arrangements and therefore is not a risk-adjusted method of measuring leverage. The expected leverage is an indicator and not a maximum limit. Portfolio leverage may be higher than this expected level as long as the portfolio remains in line with its risk profile and complies with its VaR limit.

Investor Profile

The Fund is suitable for both institutional and retail investors seeking active exposure to European corporate and government bonds. The Fund uses derivatives to hedge risk or to obtain active risk. The Fund can invest in non-euro denominated securities (fully hedged) up to a maximum of 20% of the value of the Fund.

Investment Manager

The Manager has appointed Schroder Investment Management Limited of 31 Gresham Street, London, EC2V 7QA, United Kingdom to act as the investment manager pursuant to an investment management agreement dated 31 July 2018. The Investment Manager will provide discretionary investment management services to the Fund subject to the overall supervision of the Manager. The Investment Manager's principal business and occupation is to provide investment management services to clients.

SFDR Classification: The Manager has categorised the Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Annex II at the end of this Supplement.[1]

SFDR Disclosure

When assessing the Sustainability Risk associated with the Fund's underlying investments, the Investment Manager is attempting to understand the likelihood of the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition (see definition of Sustainability Risk in the main body of the Prospectus). While the Investment Manager integrates Sustainability Risk into the Fund's investment decision making process as described below, the output of such Sustainability Risk integration is not the determining factor considered in the investment decisions of the Investment Manager in respect of the assets which the Fund may buy and/or hold. Accordingly, the Investment Manager may buy and/or hold assets which may expose the Fund to high or low levels of Sustainability Risk.

The Fund integrates Sustainability Risk into its investment decision making process using both quantitative and qualitative processes as summarised below:

(i) Prior to acquiring investments on behalf of the Fund, the Investment Manager uses Sustainability Risk metrics of a third party data service provider and/or Sustainability Risk metrics based on internal research, in order to assess the relevant investment against Sustainability Risk and to identify how vulnerable the investment is to such risks; and

(ii) The Investment Manager also applies its exclusions as well as the Manager's exclusion list (which is based on the Manager's exclusion policy and compiled by the Manager) whereby potential investments are removed from the prospective investment universe on the basis that they pose a too great Sustainability Risk.

The Manager's exclusion policy may be obtained on the Manager's website at: http://finecoassetmanagement.com/sustainability/. The Manager's exclusion list may be obtained upon request from the Manager by reaching out to the contact details available on its website at: http://finecoassetmanagement.com/contact/.

It has been determined that the Fund may have a lower prospect of being impacted by Sustainability Risk given that the Fund falls within the meaning of Article 8 of the SFDR. To the extent that a Sustainability Risk occurs, there may be a sudden, material negative impact on the value of an investment, and hence there may be a material negative impact on the Net Asset Value of the Fund. Such negative impacts may result in an entire loss of value of an investment. The Manager and the Investment Manager acknowledge that the Fund's exposure to Sustainability Risks is changeable and shall keep the Fund's exposure to these risks under periodic review. Where the Manager and/or the Investment Manager considers, as a result of such a review, that the Fund's approach to the management of sustainability risks is to materially change, these disclosures will be updated accordingly.

It is possible that an assessment of Sustainability Risk may influence a decision by the Investment Manager to not make an investment, or to dispose of an existing investment that would otherwise be considered as attractive to invest in or retain when confining the factors considered to financial-related elements such as financial position, revenue, capital structure etc.

Taxonomy Disclosure

While the Fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, it should be noted that as the investments underlying this Fund do not take into

[1] The information contained in Annex II has been completed using information provided by the Investment Manager of the Fund.

account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation, the Fund's portfolio alignment with the Taxonomy Regulation is not calculated. It follows that the Fund does not currently commit to investing more than 0% of its assets in investments aligned with the Taxonomy Regulation. The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Please refer to the section of the Prospectus entitled "Sustainable Finance Disclosures" for further information.

Base Currency: Euro.

Offer of Shares

The following Classes of Shares, each denominated in Euro, are available for subscription.

Share Class	Initial Offer Price	Initial Offer Period	Currency Denomination and Hedged Class		Sales Charge	Minimum Initial Subscription and Minimum Subsequent Subscription	Distribution Type
Class L Accumulating	€100	Closed	Euro	No	Yes/3%	€1,000 /€100	Accumulating
Class L Distributing	€100	Closed	Euro	No	Yes/3%	€1,000 /€100	Distributing
Class A Accumulating	€100	Closed	Euro	No	No	€1,000 /€100	Accumulating
Class I Accumulating	€100	Closed	Euro	No	No	€ 1,000,000 / €100	Accumulating
Class D Accumulating*	€100	2 December 2022 – 1 June 2023	Euro	No	No	€500 /€100	Accumulating
Class J Acc	€10,000	2 December 2022 – 1 June 2023	Euro	No	No	€ 1,000,000 / €100	Accumulating

*Class D Shares in the Fund shall only be made available for subscription to such entities or persons as the

Manager may determine from time to time in its absolute discretion.

During the initial offer period Shares are available for subscription at the initial offer price as indicated in the table above. Where the initial offer period has closed, Shares will be available at the prevailing Net Asset Value of each Class of Shares.

Application for Shares

Full details on how to purchase Shares are described in the Prospectus under the section titled "Application for Shares". Investors should note the following Dealing Deadline and Valuation Point that shall apply in respect of applications for Shares of the Fund:

"**Dealing Deadline**" means 11:59am (Irish time) on the relevant Dealing Day; and

"**Valuation Point**" means 3:00pm (Irish time) on the relevant Dealing Day.

Applications for Shares may be made to the Paying Agent or the Administrator (whose details are set out in the Application Form). Applications received by the Paying Agent or the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day, unless the Directors in their absolute discretion, in exceptional circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day, provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Fees and Expenses

Fees and expenses are payable out of the Fund and details of how Fees are accrued and paid, and details of other general management and fund charges, are set out in the Prospectus under the heading "Fees and Expenses".

Manager's Fee
The Manager shall be entitled to a management fee of up to 2.5% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares. The fees of the Investment Manager shall be paid out of the Manager's fees and not out of the assets of the Fund.

Administrator's Fee
Up to 0.3% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares.

Depositary's Fee
Up to 0.2% per annum (plus VAT, if any) of the Net Asset Value of each Class of Shares.

Sales charge
Up to 3% of the value of the gross subscription, except in respect of an Underlying Fund which is managed, directly or by delegation, by the Manager or by any other entity with which the Manager is linked by common management or control, or by a substantial direct or indirect holding; in which case, in order to avoid double- charging, either (i) the Underlying Fund will waive any sales charge, or (ii) any sales charge will be waived in respect of the Fund. In respect of scenario (ii) above, the principle of equal and fair treatment of the investors will at all times be met by the Fund in accordance with the Central Bank UCITS Regulations.

If as sales charge Is Incurred, Shareholders should view their Investment as medium to long-term.

Risk Factors
The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

In addition, investors should note the risks of investing in contingent convertible bonds ("CoCos"). CoCos are usually issued by European financial institutions and convert to equity when a predetermined trigger is met, such as when the issuer's capital or balance sheet falls in value. The existence of these trigger events creates a different type of risk from traditional bonds and can result in a partial or total loss of value or alternatively they may be converted into shares of the issuing Company which may also have suffered a loss in value. Investing in CoCos carry the following (non-exhaustive) list of risks:

- Trigger level risk: Each instrument has its own characteristics and trigger levels differ and determine exposure to a conversion risk depending on the common equity tier 1 (CET1) (which is highest quality capital layer) distance to the trigger level. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.
- Coupon cancellation risk: Coupon payments on certain types of CoCo are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.
- Capital structure inversion risk: CoCo investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated.
- Call extension risk: As CoCos can be issued as perpetual instruments investors may not be able to recover their capital on the optional reimbursement dates provided for in the terms of issue.
- Unknown risk: CoCos are relatively new instruments and their behaviour during a period of stress and testing of conversion levels may be highly unpredictable. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.
- Valuation risk: CoCos' often provide attractive yield which may be viewed as a complexity premium. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favourably from a yield standpoint. The risk is whether investors fully consider the risk of conversion or coupon cancellation.

ANNEX II

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: SCHRODER EURO BOND FAM FUND
Legal entity identifier: 635400INXZXUO9N6HF24

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☑ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg EURO Aggregate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

No reference benchmark has been designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

The sustainability score is measured by Schroders' proprietary tool that provides an estimate of the net "impact" that an issuer may create in terms of social and environmental "costs" or "benefits". It does this by using certain indicators with respect to that issuer, and quantifying them positively and negatively to produce an aggregate notional measure of the effect that the relevant underlying issuer may have on society and the environment. It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures. Examples of such indicators are greenhouse gas emissions, water usage, and salaries compared to the living wage.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales of the relevant underlying issuer. For example, a score of +2% would mean an issuer contributes $2 of relative notional positive impact (i.e. benefits to society) per $100 of sales. The sustainability score of the Fund is derived from the scores of all issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg EURO Aggregate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg EURO Aggregate index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to the sustainability score of each asset in Schroders' proprietary tool. Compliance with this is monitored daily via the Investment Manager's automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect on one or more environmental or social objectives, as scored by Schroders' proprietary tool. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay, and reducing environmental and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to not causing significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. A detailed list of all companies that are excluded is available at https://www.schroders.com/en/sustainability/active-ownership/group-exclusions/

- Schroders became a signatory to the UN Global Compact (UNGC) principles on 6 January 2020. The Fund excludes companies in violation of the UNGC principles from the portion of the portfolio in sustainable investments, as Schroders considers violators cause significant harm to one or more environmental or social sustainable investment objectives. The areas determining whether an issuer is an UNGC violator include issues that are covered by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, such as human rights, bribery and corruption, labour rights, child labour, discrimination, health and safety, and collective bargaining. The list of UNGC violators is provided by a third party and compliance with the list is monitored via the Investment Manager's automated compliance controls. Exceptions may apply, if there is evidence to demonstrate that the company has addressed the violation and is not causing significant harm as described above.

- The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially tobacco production, tobacco value chain (suppliers, distributors, retailers, licensors), thermal coal extraction and coal fired power generation.

- The Fund may also apply certain other exclusions.

- In addition to the exclusions of the Investment Manager, the Manager's exclusion list which is based on the Manager's exclusion policy and compiled by the Manager will apply. Exclusion categories considered in the exclusion policy are United Nations Global Compact Principles, Controversial Weapons, Tobacco, Climate Change and Forced Labour. See link below to the Manager's website for more detail on the application of the exclusion policy.

- Wherever possible, in the context of an incomplete and developing data landscape, the Investment Manager sets levels or principles for what would be deemed to cause significant harm by applying appropriate values in relation to the principal adverse impacts applicable to sustainable products. Investee companies deemed to be in breach of these levels would not be eligible to be considered as a sustainable investment. The Investment Manager's framework is subject to ongoing review, particularly as the availability, and quality, of the data evolves.

- For further information on the consideration of all principal adverse impacts in the Investment Manager's investment process, please refer to the section, 'Does this financial product consider principal adverse impacts on sustainability factors?'

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Wherever the Investment Manager deems possible, in the context of an incomplete and developing data landscape, the Investment Manager sets levels or principles for what would be deemed to cause significant harm by applying appropriate values in relation to the principal adverse impacts applicable to sustainable products. Investee companies deemed to be in breach of these levels would not be eligible to be considered as a sustainable investment. The Investment Manager's framework is subject to ongoing review, particularly as the availability, and quality, of the data evolves.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Investment Manager use a list of UNGC violators as provided by a third party. Issuers on that list cannot be categorised as sustainable investments. The areas considered when determining whether an issuer is an UNGC violator include those covered by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles onBusiness and Human Rights, such as human rights, bribery and corruption, labour rights, child labour, discrimination, health and safety, and collective bargaining.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

- [x] Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors involves classifying the indicators into three categories:

    1. Set thresholds: these involve very explicit thresholds for considering an investment to be a "sustainable investment". For example, PAI 10 on violations of UNGC principles.

    2. Active ownership: these involve indicators on which we have a plan to engage with the underlying holding as set out in the Schroders Group document, accessed via https://prod.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf, outlining the Investment Manager's approach to active ownership. For example, PAI 1, 2 and 3 covering GHG emissions and PAI 13 on board gender diversity.

    3. Improve coverage: these involve indicators where we consider data coverage to be too sparse to properly consider them and the Investment Manager's focus is primarily on engaging with the underlying holdings to increase reporting. For example, PAI 7 on biodiversity, PAI 9 on hazardous waste ratio and PAI 12 on the gender pay gap.

    The Investment Manager's approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves.

    Relevant information on principal adverse impacts on sustainability factors will also be disclosed in due course.

- [ ] No

What investment strategy does this financial product follow?

The Fund is actively managed and will invest at least two-thirds of its assets in fixed and floating rate bonds issued by governments, government agencies, supra-nationals and companies worldwide. The Fund will invest predominantly in Investment Grade bonds but may invest up to 30% of its assets in high yield bonds and fixed income bonds that have a below Investment Grade credit rating subject to a 2.5% limit per issuer for non-Investment Grade, as measured by highest of Moody/S&P/Fitch security rating and issuer rating if there is no security rating. The Fund may invest up to 10% of its assets in contingent convertible bonds. The Fund may also hold cash and invest in money market instruments, including and not limited to certificates of deposit, time deposits commercial paper and short term fixed and floating rate bonds with less than 365 days to maturity, and financial derivative instruments.

The Fund maintains a higher overall sustainability score than the Bloomberg EURO Aggregate index based on the Investment Manager's rating criteria.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed – across both sovereign markets and credit allocation decisions – in tandem with macroeconomic factors throughout the Investment Manager's top-down thematic investment process.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. The Investment Manager's approach includes the use of Schroders' proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.

Credit selection decisions are delegated to the Investment Manager's specialist credit investment teams, who aim to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the environment or impose unjustifiable social costs.
- The inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager's sustainability rating methodology.

The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

The Investment Manager ensures that at least:
- 90% of fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries, held in the Fund's portfolio are rated against the sustainability criteria.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg EURO Aggregate index based on the Investment Manager's rating criteria.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.

- The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate at least 10% of their revenues from tobacco production, companies that generate at least 25% of their revenues from any other part of the tobacco value chain (suppliers, distributors, retailers, licensors), companies that generate at least 10% of their revenues from thermal coal extraction and companies that generate at least 30% of their revenues from coal fired power generation.

- The Manager's exclusion list which is based on the Manager's exclusion policy and compiled by the Manager will apply. Exclusion categories considered in the exclusion policy are United Nations Global Compact Principles, Controversial Weapons, Tobacco, Climate Change and Forced Labour. See link below to the Manager's website for more detail on the application of the exclusion policy.

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries, held in the Fund's portfolio are rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, the Investment Manager utilises a Schroders' proprietary tool to help it develop a complete understanding of a company through a stakeholder lens.

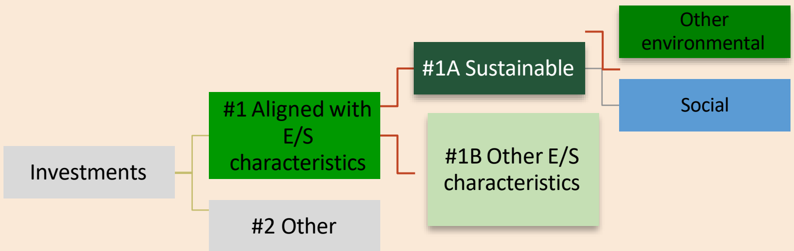
Schroders' proprietary tool is data–driven and provides a systematic framework for analysing a company's relationship with its stakeholders. It identifies key performance drivers and data points to examine company strengths and weakness across different key stakeholder groups and is a central driver of the assessment of a company's stakeholder management.

The proprietary tool includes over 250 data points to assess how well companies are governed and how likely they are to adapt to changing social and environmental pressures. It draws on both conventional and unconventional data sources. Examples of unconventional data are employee review reports, consumer product reviews, revenue from green products, community donations and frequency of lawsuits. By drawing on such unconventional sources that do not rely on company reporting, the Investment Manager is able to build a more complete picture of companies' performance and reduce its reliance on corporate disclosure, which remains incomplete, particularly among smaller companies in emerging regions.

The proprietary tool considers a number of good governance metrics, grouped into the categories of sound management structures, employee relations, remuneration of staff and tax compliance.

What is the asset allocation planned for this financial product?

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg EURO Aggregate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The sustainability score is measured by Schroders' proprietary tool that provides an estimate of the net "impact" that an issuer may create in terms of social and environmental "costs" or "benefits". It does this by using certain indicators with respect to that issuer, and quantifying them positively and negatively to produce an aggregate notional measure of the effect that the relevant underlying issuer may have on society and the environment. Examples of such indicators are greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Fund will invest at least 10% of its assets in sustainable investments. Within this, there is no commitment to invest a minimum proportion of the Fund's assets in sustainable investments with an environmental objective or in sustainable investments with a social objective. This means that the proportion of sustainable
investments with an environmental objective and those with a social objective will vary over time.

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and money market investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to money market investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money
laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Anysignificant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

  Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

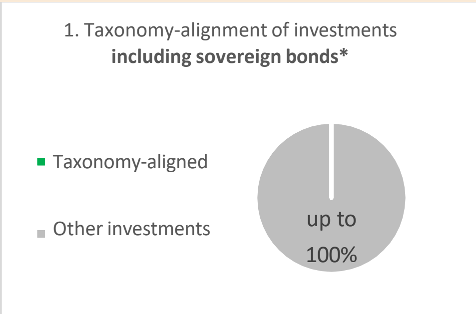
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

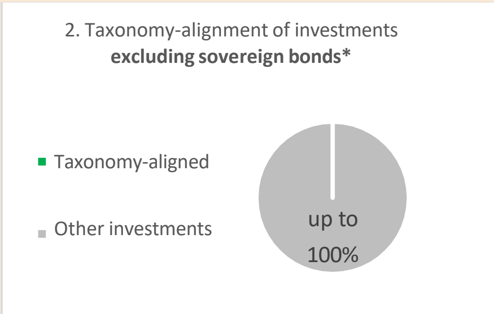
derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this document the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 10% of its assets in sustainable investments. Within this overall commitment, there is no minimum commitment to invest in sustainable investments with an environmental objective. This means that the proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy will vary.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 10% of its assets in sustainable investments. Within this overall commitment, there is no minimum commitment to invest in sustainable investments with a social objective. This means that the proportion of sustainable investments with a social objective will vary.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and money market investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes investments that are not scored by the Investment Manager's proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to money market investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty' management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

An index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Further details on the Responsible Investment Policy, summary investment process and exclusion policy can be found on the Manager's website at the following link FAM - Sustainability | Fineco FAM - Fineco FAM (finecoassetmanagement.com)