

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

# Sustainable Diversified Alternative Assets

a sub-fund of Schroder Special Situations Fund  
**Class S Distribution EUR Hedged (LU2416646193)**

This product is managed by Schroder Investment Management (Europe) S.A, a member of the Schroders Group. For more information on this product, please refer to [www.schroders.lu](http://www.schroders.lu) or call +352 341 342 212. Commission de Surveillance du Secteur Financier (CSSF) is responsible for supervising Schroder Investment Management (Europe) S.A. in relation to this Key Information Document. Schroder Investment Management (Europe) S.A. is authorised in Luxembourg and regulated by the CSSF.

This document was published on 16/10/2023.

**You are about to purchase a product that is not simple and may be difficult to understand.**

## What is this product?

### Type

This is an open ended UCITS fund.

### Term

There is no maturity date of the fund.

### Investment objective

The fund aims to provide capital growth and income in excess of UK CPI + 2.5% after fees have been deducted over a five to seven year period by investing in alternative asset classes worldwide which meet the investment manager's sustainability criteria.

The fund is actively managed and invests at least two-thirds of its assets directly or indirectly (through investment funds and/or investment trusts) in alternative asset classes worldwide.

The fund may have an indirect exposure to distressed securities, contingent convertible bonds, asset-backed securities, mortgage-backed securities and high yield securities. The fund may also invest indirectly up to 10% of its assets in commodities. The exposure to commodities will be taken through eligible assets.

The fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and money market investments and hold cash.

The fund invests at least 50% of its assets directly or indirectly in sustainable investments, which are investments that the investment manager expects to contribute towards the advancement of one or more of the UN SDGs. Such sustainable investments do not cause significant environmental or social harm as determined by the investment manager's rating criteria. The investment manager will select the fund's assets from a universe of eligible assets that have been determined as meeting the investment manager's sustainability criteria including an assessment of investments held directly or indirectly. The sustainability criteria include an assessment of an investment's contribution to the UN SDGs. This means that the extent to which such investments may deliver a direct or indirect positive impact to society in order to advance one or more of the UN SDGs together with the investment's opportunity are considered in the assessment of investments.

The fund may invest up to 10% of its assets in open-ended investment funds (including other Schroders funds).

The fund may invest up to 20% of its assets in China, either directly (for

example, via Bond Connect) or indirectly through mainland China focused investment funds.

The fund does not directly or indirectly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the fund's webpage, accessed via [www.schroders.com/en/lu/private-investor/gfc](http://www.schroders.com/en/lu/private-investor/gfc).

The fund may use derivatives with the aim of reducing risk or managing the fund more efficiently.

The fund is valued with reference to the net asset value of the underlying assets.

**Benchmark:** The fund's performance should be assessed against its target benchmark, being to exceed UK CPI + 2.5% after fees have been deducted over a five to seven year period and compared against the FT All Share index and the FT actuaries UK Conventional Gilt All Stocks index.

The comparator benchmarks are only included for performance comparison purposes and determine how the investment manager invests the fund's assets. The fund's investment universe is expected to overlap to a limited extent with the components of each comparator benchmark.

The investment manager invests on a discretionary basis and there are no restrictions on the extent to which the fund's portfolio and performance may deviate from the comparator benchmarks. The investment manager may invest in companies or sectors not included in the comparator benchmarks.

The target benchmark has been selected because the target return of the fund is to deliver or exceed the return of that benchmark as stated in the investment objective. Any comparator benchmark has been selected because the investment manager believes that the benchmark is a suitable comparison for performance purposes given the fund's investment objective and policy.

**Dealing Frequency:** You may redeem your investment upon demand. This fund deals weekly.

**Distribution policy:** This share class pays a semi-annual distribution at a variable rate based on gross investment income.

**Depositary:** J.P. Morgan SE

### Intended retail investor

The fund is intended for institutional investors but may be available to retail investors.

## What are the risks and what could I get in return?

### Risks



The risk indicator assumes you keep the product for 3 years.

You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market or because we are not able to pay you.

### Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and suitable benchmark over the last 10 years. The scenarios shown are illustrations based on results from the past and on certain assumptions.

Recommended holding period:		3 years	
Example Investment:		EUR 10000	
		If you exit after 1 year	If you exit after 3 years
Scenarios			
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs	EUR 4920	EUR 5920
	Average return each year	-50.8%	-16.0%
Unfavourable	What you might get back after costs	EUR 8420	EUR 8540
	Average return each year	-15.8%	-5.1%
Moderate	What you might get back after costs	EUR 10400	EUR 11320
	Average return each year	4.0%	4.2%
Favourable	What you might get back after costs	EUR 11180	EUR 12050
	Average return each year	11.8%	6.4%

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The stress scenario shows what you might get back in extreme market circumstances.

The maximum loss you could incur would be the full value of your investment

We have classified this product as 3 out of 7, which is a medium-low risk class.

The fund is in this category because it seeks to provide rewards whilst limiting price volatility.

**Liquidity risk:** In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares, meaning investors may not be able to have immediate access to their holdings.

**Credit risk:** A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

You can find more information about the other risks in the prospectus at: <https://api.schroders.com/document-store/SSSF-Prospectus-LUEN.pdf>

The Unfavourable scenario occurred for an investment between 04 2022 to 04 2023

The Moderate scenario was simulated based on the appropriate benchmark used for an investment between 10 2018 to 10 2021

The Favourable scenario was simulated based on the appropriate benchmark used for an investment between 03 2019 to 03 2022

## What happens if Schroder Investment Management (Europe) S.A. is unable to pay out?

For your protection the company's assets are held with a separate company, a depositary, so the fund's ability to pay out would not be affected by the insolvency of Schroder Investment Management (Europe) S.A.. If the fund is terminated or wound up, the assets will be liquidated and you will receive an appropriate share of any proceeds but you may lose part or all of your investment. You are not covered by the Luxembourg compensation scheme.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario
- EUR 10 000,00 is invested

	If you exit after 1 year	If you exit after 3 years
Total costs	EUR 149	EUR 513
Annual cost impact (*)	1.5%	1.6% each year

\*This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 5,8 % before costs and 4,2 % after costs.

## Composition of costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	We do not charge an entry fee.	EUR 0
Exit costs	We do not charge an exit fee for this product, but the person selling you the product may do so.	EUR 0
<b>Ongoing costs taken each year</b>		
Management fees and other administrative or operating costs	These costs are an estimate based on actual costs over the last year that we take each year for managing your investments. [1.15%]	EUR 115
Transaction costs	This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. [0.34%]	EUR 34
<b>Incidental costs taken under specific conditions</b>		
Performance fees	There is no performance fee for this product.	EUR 0

## How long should I hold it and can I take money out early?

There is no recommended minimum holding period for this fund but investors should not view this as a short term investment. However, you can redeem your investment without penalty at any time in accordance with the fund's prospectus.

## How can I complain?

Should you wish to complain about the fund or any aspect of the service provided to you by Schroders, you may contact the Compliance Officer, Schroder Investment Management (Europe) S.A., at 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg or submit your complaint via the contact form on our website, [www.schroders.lu](http://www.schroders.lu) or email on [EUSIM-Compliance@Schroders.com](mailto:EUSIM-Compliance@Schroders.com).

## Other relevant information

Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary.

You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly report and the latest price of shares from the fund's management company at 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg, and from [www.schroders.lu/kiids](http://www.schroders.lu/kiids). They are available free of charge in English, German and Spanish.

**Tax legislation:** The fund is subject to Luxembourg tax legislation which may have an impact on your personal tax position.

The fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. The fund may invest in companies that do not reflect the beliefs and values of any particular investor.

**Umbrella Fund:** This fund is a sub-fund of an umbrella fund, the name of which is at the top of this document. The prospectus and periodic reports are prepared for the entire umbrella fund. To protect investors, the assets and liabilities of each sub-fund are segregated by law from those of other sub-funds.

This Key Information Document is updated at least every 12 months, unless there are any ad-hoc changes.

The cost, performance and risk calculations included in this Key Information Document follow the methodology prescribed by EU rules.

You can view the past performance chart and the historical performance scenarios data at: [www.schroderspriips.com/en-ch/ch/priips/gfc/#/fund/SCHDR\\_F00001DGA7/-/-/profile/](http://www.schroderspriips.com/en-ch/ch/priips/gfc/#/fund/SCHDR_F00001DGA7/-/-/profile/)

Schroder Special Situations Fund is a collective investment scheme under Luxembourg law. It has not been approved for offering to non-qualified investors in Switzerland by the Swiss Financial Market Supervisory Authority FINMA and is not subject to the FINMA's supervision. The shares may exclusively be offered and distributed to qualified investors in Switzerland as defined in the Federal Act on Collective Investment Schemes of 23 June 2006 (CISA), as amended, and its implementing ordinance (Qualified Investors).

Swiss Representative: Schroder Investment Management (Switzerland) AG, Central 2, CH-8001 Zurich. Swiss Paying Agent: Schroder & Co Bank AG, Central 2, CH-8001 Zurich. The prospectus for Switzerland, the key information documents, the articles of association and the annual and semi-annual reports are available free of charge by Qualified Investors from the Swiss Representative.