

Schroder Unit Trusts Limited  
PO Box 1102  
Chelmsford  
CM99 2XX



Investor Services 0800 718 777  
www.schroders.co.uk

Fax 0870 043 4080  
investorservices@schroders.com

6 January 2017

Dear «Client Name»

**Account number:**  
**Account name:**  
**Designation:**

#### **Closure of the Schroder Institutional Index Linked Bond Fund**

Further to our letter of 8 July 2016 I am writing to inform you of our intention to close the Schroder Institutional Index Linked Bond Fund (the Fund), in which you are invested.

#### **Why is the Fund closing?**

The Fund's net assets have decreased to a level where it can no longer be managed effectively and is no longer commercially viable. We consider it unlikely that the Fund's assets will increase to a size which improves its ongoing viability in the foreseeable future, so we have decided to close it. Please note that the winding-up of the Fund does not require unitholder approval.

The closure of the Fund will take place on 9 March 2017 (the effective date). In the days leading up to the effective date, it may be necessary to begin selling down the portfolio. This means that, over this period the Fund may not be managed in line with its published investment objective.

#### **What will happen to my investment?**

As an investor in the Fund you have two options:

##### **1. Switch offer**

You may switch your investment to any fund in the Schroders fund range into which you are eligible to invest. While there is no charge to switch your investment, a dilution adjustment may be applied to both the sale of your units in the Fund and the purchase of units in any Schroders fund(s) which you are switching into. More details on the estimated dilution adjustment rates can be found in the Fund's prospectus or can be provided on request from [www.schroders.com/en/uk/private-investor/literature/download-literature/](http://www.schroders.com/en/uk/private-investor/literature/download-literature/) free of charge.

You can find further information on our range of funds at:

[www.schroders.co.uk/investor](http://www.schroders.co.uk/investor)

Schroder Unit Trusts Limited  
PO Box 1102  
Chelmsford  
CM99 2XX



Investor Services 0800 718 777  
www.schroders.co.uk

Fax 0870 043 4080  
investorservices@schroders.com

In order to switch your investment we will need to provide you with the Key Investor Information document(s) for the fund(s) that you wish to transfer to, along with an investment amendment form which should be completed and returned to us by 12 noon on 2 March 2017. You can request the investment amendment form and relevant Key Investor Information document(s) at [www.schroders.co.uk/switch](http://www.schroders.co.uk/switch) or by calling our Investor Services team on 0800 718 777.

Alternatively, please speak to your usual financial adviser.

## **2. Redeeming your holding**

If you wish to redeem your units in the Fund you must do so before 12 noon on 2 March 2017. Your units will be redeemed at the price calculated at the next valuation point of the Fund following receipt of your instructions. The proceeds will be sent to you within four working days of the redemption.

If you wish to redeem your units, you can do so by calling our Investor Services team on 0800 718 777 or by sending a signed written instruction to Schroders, PO Box 1102, Chelmsford, CM99 2XX.

If you do not switch or redeem your holding before 2 March 2017, the procedure explained in section (3) below will commence and, from that point, you will not be able to deal in units of the Fund. After the date of this letter the Fund's manager may not accept further subscriptions for units in the Fund.

## **3. Winding up and realisation of assets**

Dealing in the units of the Fund will close at 12 noon on 2 March 2017. If you have not given us instructions to redeem or switch your holding prior to 12 noon on 2 March 2017, your units will be redeemed at the price calculated at 12 noon on 9 March 2017 less a retained amount to cover outstanding debtors and creditors of the Fund. The current accounting period of the Fund will end at 12 noon on 9 March 2017 and an additional interest distribution and interest accumulation will take place, with the interest distribution to be paid to unitholders on 9 May 2017. Following the Fund's closure, there will be no further interest distributions or accumulation of interest.

The Trustee will then request that the Financial Conduct Authority (the FCA) revokes the Fund's authorisation order.

## **4. Outstanding monies**

Once the Fund is closed, if there is any cash remaining in the Fund, a further payment will be made to unitholders who were invested in the Fund on 9 March 2017. Please be advised that if this second payment amount is less than £5 per investor, we reserve the right not to distribute such an amount but instead to donate it to a charity of our choosing. If there is a cash shortfall, this will be covered by Schroders.

## **5. Costs**

With the exception of those costs related to the realisation of the Fund's underlying assets described in section (3) above, the costs of closing the Fund will be borne by Schroders.

Schroder Unit Trusts Limited  
PO Box 1102  
Chelmsford  
CM99 2XX



Investor Services 0800 718 777  
[www.schroders.co.uk](http://www.schroders.co.uk)

Fax 0870 043 4080  
[investorservices@schroders.com](mailto:investorservices@schroders.com)

The audit fee which is incurred from the closure date to the completion of winding up of Schroder Institutional Index Linked Fund will be paid by Schroder Institutional Index Linked Fund.

## 6. Taxation

A redemption of units and a switch of holdings into any other Schroders funds will both be treated as a disposal for UK capital gains ~~taxation~~. Any interest distributions, above the threshold referred to in section (3) and paid on or before 5 April 2017 will be made net of basic tax ~~rate~~. Where interest distributions are paid after 5 April 2017, these will be paid ~~gross~~. If you have any doubt about the tax implications of the winding up of the Fund or any prior sale of units then you should consult your financial or tax adviser.

For further information about any aspect of the closure process or other Schroders funds please contact either your usual financial adviser or a member of our Investor Services Team on 0800 718 777. If you do not have a financial adviser, you can find one at [www.unbiased.co.uk](http://www.unbiased.co.uk). Please note that Schroders does not offer investment advice.

Yours sincerely

A handwritten signature in black ink, appearing to read "Robin Stoakley".

**Robin Stoakley**  
Managing Director  
Schroder Unit Trusts Limited