

22 January 2025

Dear Shareholder,

Schroder GAIA (the "Company") – Two Sigma Diversified (the "Fund")

The Fund currently seeks to combine the investment manager's capabilities in systematic US equity market neutral and global macro investing. We are writing to inform you that on 28 February 2025 (the "Effective Date") the Fund will no longer allocate to the global macro capability and will allocate solely to the existing US equity market neutral strategy. The investment objective, investment policy and the expected level of leverage will be updated to reflect this change. However, the fund's aim to deliver uncorrelated returns, with controlled volatility, across a range of market conditions through a systematic investment approach remains.

The share classes of the Fund impacted by this change are listed in Appendix A to this letter.

Background and rationale

The Fund currently operates a combination of a US equity market neutral strategy, and a global macro trading strategy. Since launch, the majority of the Fund's capital has been allocated to the US equity market neutral strategy. The Fund's investment manager has undertaken a review of their capabilities and as a result of this they have taken the decision to close the global macro strategy for this Fund. This means that from the Effective Date the Fund will allocate solely to the existing US equity market neutral strategy.

Full details of the changes made to the investment objective, investment policy and expected level of leverage language can be viewed in Appendix B to this letter.

All other key features of the Fund, including the synthetic risk and return indicator (the SRRI) and fees, remain the same.

Redeeming or switching your shares to another Schroders fund

We hope that you will choose to remain invested in the Fund following these changes, but if you do wish to redeem your holding in the Fund or to switch into another of the Company's sub-funds before the Effective Date you may do so at any time up to and including deal cut-off on 25 February 2025. Please ensure that your redemption or switch instruction reaches HSBC Continental Europe, Luxembourg ("HSBC") before this deadline. HSBC will execute your redemption or switch instructions in accordance with the provisions of the Company's prospectus, free of charge, although in some countries local paying agents, correspondent banks or similar agents might charge transaction fees. Local agents might also have a local deal cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach HSBC before the deal cut-off given above.

The Company's prospectus and the updated key information document (KID) for the relevant share class are available at www.schroders.com.

If you have any questions or would like more information about Schroders' products, please visit www.schroders.com or contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 202.

Yours faithfully,

The Board of Directors

Appendix A

ISIN code(s) of the Share Class(es) impacted by this change:

Share class	Share class currency	ISIN code
C Accumulation	USD	LU1429039115
K Accumulation	USD	LU1429039032
C Accumulation	BRL Hedged	LU2813324733
C Accumulation	CHF Hedged	LU1429039891
K Accumulation	CHF Hedged	LU1479556000
C Accumulation	EUR Hedged	LU1429039461
K Accumulation	EUR Hedged	LU1429039388
C Accumulation	GBP Hedged	LU1429039545

Appendix B

New wording is shown in bold. Removed wording is shown as strikethrough text.

Current investment objective	New investment objective
<p>The Fund aims to provide a positive return after fees have been deducted over a three year period by investing in equity, equity related securities, fixed and floating rate securities and currencies worldwide.</p>	<p>The Fund aims to provide a positive return after fees have been deducted over a three year period by investing in US equity and, equity related securities, fixed and floating rate securities and currencies worldwide.</p>
Current investment policy	New investment policy
<p>The Fund is actively managed and invests directly (through physical holdings) and/or indirectly (through derivatives) in equity and equity related securities, fixed and floating rate securities and currencies worldwide, as well as in Investment Funds investing in such instruments.</p> <p>The Investment Manager aims to provide capital growth using sophisticated computer systems to implement a model driven investment approach. The Fund operates with a combination of both US equity market neutral and global macro trading strategies. The equity market neutral strategy seeks to profit by taking synthetic long and short positions in undervalued and overvalued stocks in the equity market. The global macro strategy is a mix of both fundamental and technical models that seek to take advantage of changes in global asset prices.</p> <p>The Fund uses derivatives extensively (including total return swaps and contracts for difference), long and short, on a continuous basis with the aim of achieving investment gains, reducing risk (including management of interest rate and currency risks) or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments and indices in which the Fund may otherwise invest directly according to its Investment Objective and investment policy. In particular, total return swaps and contracts for difference will be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of total return swaps and contracts for difference will not exceed 120% and is expected to remain within the range of 60% to 110% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund also has the flexibility to implement long and short active currency positions</p>	<p>The Fund is actively managed and invests at least 75% of its assets directly (through physical holdings) and/or indirectly (through derivatives) in US equity and equity related securities, fixed and floating rate securities and currencies worldwide, as well as in Investment Funds investing in such instruments.</p> <p>The Investment Manager aims to provide capital growth using sophisticated computer systems to implement a model driven investment approach. The Fund operates with a combination of both US equity market neutral and global macro trading strategies. which seeks to profit by taking synthetic long and short positions in undervalued and overvalued stocks in the equity market. The global macro strategy is a mix of both fundamental and technical models that seek to take advantage of changes in global asset prices.</p> <p>The Fund uses derivatives extensively (including total return swaps and contracts for difference), long and short, on a continuous basis with the aim of achieving investment gains, reducing risk (including management of interest rate and currency risks) or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments and indices in which the Fund may otherwise invest directly according to its Investment Objective and investment policy. In particular, total return swaps and contracts for difference will be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of total return swaps and contracts for difference will not exceed 120% 130% and is expected to remain within the range of 60% to 110% 120% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund also has the</p>

<p>via derivatives. The Fund may be net long or net short when long and short positions are combined. The Fund may hold cash (subject to the restrictions provided in Appendix I) and invest in Money Market Investments and liquid assets other than cash in order to achieve its investment goals and/or for treasury purposes and/or in case of unfavourable market conditions. The Fund may invest up to 10% of its assets into open ended Investment Funds. The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3.</p>	<p>flexibility to implement long and short active currency positions via derivatives. The Fund may be net long or net short when long and short positions are combined. The Fund may hold cash (subject to the restrictions provided in Appendix I) and invest in Money Market Investments and liquid assets other than cash in order to achieve its investment goals and/or for treasury purposes and/or in case of unfavourable market conditions. The Fund may invest up to 10% of its assets into open ended Investment Funds. The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3.</p>
Current expected level of leverage	New expected level of leverage
700% of the total net assets	700% 300% of the total net assets