

22 November 2024

**Schroder British Opportunities Trust plc**

("SBO" or the "Company")

**Non-Material Change to Investment Policy**

The Financial Conduct Authority has recently updated its Sustainability Disclosure Requirements ("SDR"). These new regulations, which come into effect in December 2024, will restrict the use of certain sustainable terms in products available to retail investors.

The Board of the Company (the "Board") confirms that pursuant to the SDR's voluntary labelling regime, the Company will not seek to adopt a label for its products. As a result, the Board has decided to make a non-material change to the Company's Investment Policy, removing the paragraph set out below, which makes reference to the United Nations' Sustainable Development Goals. For the avoidance of doubt, it is the Board and the Portfolio Managers' intention that there will be no change to how the investment portfolio is managed as a result of this amendment.

*"The Company will focus on companies which the Portfolio Managers consider to be sustainable from an environmental, social and governance perspective, supporting at least one of the goals and/or sub-goals of the United Nations' Sustainable Development Goals ("SDGs"), or which the Portfolio Managers consider would benefit from their support in helping them incorporate SDGs into their business planning and/or in reporting their alignment with SDGs."*

The Company's Investment Policy in its entirety, reflecting the change noted in this announcement, is now as follows:

*Investment Objective*

The Company's investment objective is to deliver long-term total returns throughout the life of the Company by investing in a diversified public equity and private equity portfolio of predominantly UK Companies.

"UK Companies" means companies which are incorporated, headquartered or have their principal business activities in the United Kingdom, and companies headquartered outside the United Kingdom which derive, or are expected to derive, a significant proportion of their revenues or profits from the United Kingdom.

*Investment Policy*

The Company will invest in a diversified portfolio of both public equity investments and private equity investments consisting predominantly of UK Companies with strong long-term growth prospects.

"Public equity investments" mean any investments in any of the following categories (a), (b) and (c) below (although it is envisaged that the Company will predominantly focus on those of an equity and/or quasi-equity nature as set out under categories (a) and (b) below):

(a) ordinary shares or similar securities issued by an issuer which are traded on any of the following:

(i) any "regulated market" as defined in MiFID II and as listed in the register of regulated markets within the EEA maintained by the European Securities and Markets Authority from time to time; or

(ii) any "recognised investment exchange" as recognised by the FCA under Part XVIII of FSMA; or

(iii) any "recognised overseas investment exchange" as recognised by the FCA under Part XVIII of FSMA;

(b) securities or other instruments giving the right to acquire or sell any of the securities referred to in (a) above, including without limitation warrants, options, futures, convertible bonds and convertible loan notes; and

(c) preference shares issued by an issuer referred to in (a) above.

"Private equity investments" mean any investments in any of the following categories (w), (x), (y) and (z) below (although it is envisaged that the Company will predominantly focus on those of an equity and/or quasi-equity nature as set out under categories (w) and (x) below):

(w) shares in companies and other securities/units/interests equivalent to shares in companies, partnerships (including limited partnership interests) or other entities, provided that they are not already captured under the definition of "public equity investments" above;

(x) securities, derivatives or other instruments giving the right to acquire or sell any of the shares/securities/units/interests referred to in (w) above, including without limitation warrants, options, futures, contingent value rights, convertible bonds, convertible loan notes, convertible loan stocks or convertible preferred equity;

(y) preference shares issued by an issuer referred to in (w) above; and

(z) debt-based investments not otherwise covered above, including loan stock, payment-in-kind instruments and shareholder loans.

It is anticipated that the Company's portfolio will typically consist of 30 to 50 holdings and will target companies with an equity value between approximately £50 million and £2 billion at the time of initial investment.

#### *Investment restrictions*

The Company will invest and manage its assets with the object of spreading risk through the following investment restrictions:

- no more than 10 per cent. of Net Asset Value may be invested in any investee company;
- the Company's portfolio shall comprise no fewer than 30 holdings;
- no more than 20 per cent. of Net Asset Value may be invested in investee companies which are not UK Companies;
- the Company may not take a controlling stake in any investee company, whether directly or indirectly, and:
  - in respect of public equity investments, the Company may own no more than 10 per cent. of the total voting rights of any investee company; and
  - in respect of private equity investments, the Company may own no more than 20 per cent. of the enterprise value of any investee company; and
- the Company will not invest more than 10 per cent. in aggregate of Gross Assets in other listed closed-ended investment funds, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds. Additionally, in any event, the Company will itself not invest more than 15 per cent. of its Gross Assets in other investment companies or investment trusts which are listed on the Official List.

Unless otherwise stated, each of the above restrictions will be calculated at the time of commitment. Where the Company makes investments through one or more special purpose vehicles, owned in whole or in part by the Company or one of its affiliates (being an affiliate of, or person affiliated with, the Company, including a person that directly, or indirectly through one or more intermediate holding companies, controls or is controlled by, or is under common control with, the Company), the investment restrictions will be applied on a look-through basis.

Where the calculation of an investment restriction requires an analysis of underlying investments held by a fund in which the Company is invested, such calculation will be based on the information reasonably available to the Portfolio Managers at the relevant time.

The Company will not be required to dispose of any investment or to rebalance the portfolio as a result of a change in

the respective valuations of its assets. However, the Portfolio Managers will regularly monitor the Company's portfolio and make adjustments from time to time in light of the above restrictions.

#### *Borrowing policy*

The Company may, from time to time, use borrowings for investment and efficient portfolio management purposes. Gearing will not exceed 10 per cent. of Net Asset Value, calculated at the time of drawdown of the relevant borrowing, except that there will be no re-calculation where a facility is renewed, varied or replaced, and that there will be no re-calculation at the time of a subsequent drawdown under the same facility, provided that the absolute amount of borrowing is not increased at the time of any subsequent renewal, variation, replacement or subsequent drawdown.

#### *Hedging and derivatives*

Derivatives may be used for investment purposes, efficient portfolio management or for currency hedging purposes, although it is not expected that a material proportion of the Company's investments will be denominated in currencies other than pounds sterling and any such currency exposure will not normally be hedged.

Where derivatives are used for investment purposes, the Company does not intend to increase the Company's gearing in excess of the limits set out in the borrowing policy above, and any restrictions set out in the investment policy shall apply equally to exposure through derivatives.

#### *Cash management*

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("Cash and Cash Equivalents").

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant cash position instead of being fully or near fully invested. Cash and Cash Equivalents will be held with approved counterparties and in line with prudent cash management guidelines agreed between the Board, AIFM and Portfolio Managers. For the avoidance of doubt, the restrictions set out above in relation to investing in listed-closed ended investment funds do not apply to money market type funds.

#### *Changes to the investment policy*

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution. Non-material changes to the investment policy may be approved by the Board.

In the event of a breach of the investment policy set out above and the investment and gearing restrictions set out therein, the AIFM shall inform the Board without delay, and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

#### **Enquiries:**

##### **Schroder Investment Management Limited**

Katherine Fyfe (Company Secretarial)

Charlotte Banks (PR)

020 7658 6000

##### **About Schroder British Opportunities Trust plc 'SBO'**

SBO invests in a diversified portfolio of UK-focussed public and private equity companies with long-term growth prospects.

Further information on the Company is available at [www.schroders.com/sbo](http://www.schroders.com/sbo)

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