Marketing Material

Schroder British Opportunities Trust plc

Investing in the future of British business

A once in a generation opportunity to invest in the future of British business

Schroder British Opportunities Trust plc

- Invest in high quality growth companies with sustainable business models at attractive valuations.
- A proactive public and private equity investment strategy which can provide access to strong long-term total returns through participation in exciting capital raising opportunities.
- Seeking to invest 'fresh' equity into small to mid-sized British businesses, facilitating and driving growth through the pandemic and beyond.

The need for fresh equity

The current level of UK government debt-driven support is unsustainable.

As support comes to an end, we believe many businesses will require an injection of 'fresh' equity.

There has been an increase in UK companies raising equity, but this has been financed by selling other public equity holdings, by existing cash balances and by institutional re-allocations.

We believe more will be required, particularly in the small and mid-cap segment of the market.

We intend to capitalise on the anticipated need for 'fresh' equity, both public and private.

We will invest in high-quality growth, UK companies, with an equity value of between approximately £50m and £2bn, which need additional equity funding to grow through the pandemic and beyond.

A differentiated and sustainable public and private investment strategy with impact

Our investment strategy will be to provide fresh equity to companies that fall into two key areas:

High Growth	Mispriced Growth
Businesses that are strongly positioned given COVID-19. Benefiting from a rapid change in consumer and corporate behaviour.	High quality companies that have struggled despite best efforts. Product and services with long-term structural growth drivers.
– Strong key performance indicator growth – Profitable or near-profitable – Strong investor consortium	– Heavily impacted by Covid-19 – Profitable but liquidity constrained – Depressed valuations present a unique opportunity

Key differentiators

1. Focus on the provision of fresh equity
2. Access a broader UK investment universe through the inclusion of Private Equity
3. Encourage the adoption of best ESG practices and disciplined capital allocation through active engagement
4. One of few equity products launched in response to the pandemic

SDGs integration and active engagement

The Portfolio Managers will focus on companies with business models which they consider to be sustainable in terms of both the longevity and durability of their businesses and their environmental, social and governance behaviours.

Our proposition will

- Assess business models of the companies using proprietary and external ESG frameworks.
- Actively engage with investee companies to improve ESG characteristics and to support companies to incorporate SDGs into their business planning.
- Encourage companies to report against the SDGs and ESG criteria.

Schroders | SUSTAINABLE DEVELOPMENT GOALS

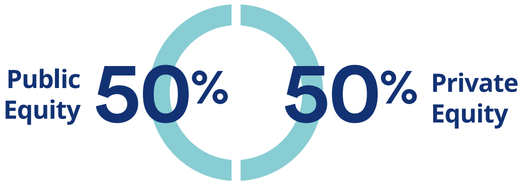
Schroders supports the Sustainable Development Goals

Schroders' experience and how to be part of the solution

Why Schroders?

Schroders has a long heritage of investing in UK Equity markets, managing over £15bn in UK public and private equity assets. In managing the Schroder British Opportunities Trust, Schroders will leverage its full platform of public equity, private equity and investment trust teams and experience of managing hybrid public and private equity strategies.

The portfolio



With some flexibility depending on the opportunity set and required liquidity profile at any one time

Investment team

A powerful combination of Public Equity and Private Equity expertise

Rory Bateman
Head of Equities

Head of Equities

Portfolio Manager, Public Equity

15 person UK equity team

Public equity

20 years' experience in managing UK and European equities.

7 person Public Equity Investment Committee.

Tim Creed
Head of UK and European Private Equity

Selected as one of '50 Most Influential People in European Private Equity[1]'

Portfolio Manager, Private Equity

35 person investment team globally

Private equity

20 years' experience of specialist private equity investing. Closed >60 venture capital/private equity direct co-investments.

4 Private Equity Investment Committee members, who have been working together for over 13 years.

Oversight committee

Providing an additional level of governance and risk oversight

Underpinned by a commitment to:

Data insights
>25 data scientists, monitoring of investment theses, screening for ideas.

ESG
A+ rated, 22-strong London-based sustainable investment team.

Risk management
Institutional risk management framework across both public and private equity.

Key information

Structure UK incorporated investment trust

Listing London Stock Exchange (Premium Listing)

AIFM Schroder Unit Trusts Limited

Number of holdings 30-50

Target issue size £250m

Target returns The Company aims to provide a NAV total return of 10% p.a.[2] (once the Company is fully deployed across the target allocation between public and private equity investments) over the life of the Company

Fixed life vehicle c. 7 year fixed life

Management fee 60 basis points

Performance fee 15% over a 10% hurdle paid in respect of each financial year. Paid only on the PE time weighted net invested capital and only paid if the overall NAV has increased in the relevant financial year and from sufficient realisation proceeds.

Seed investment Schroders seed 10% of launch size up to £20 million[3]

Currency GBP

Leverage Capped at 10%, to be used for investment and efficient portfolio management

Sponsor, placing agent and intermediaries offer adviser
Peel Hunt

Platforms available

AJBell Youinvest; EQi; Hargreaves Lansdown; interactive investor; Redmayne Bentley; shareDeal active; Shareview; X-O.co.uk execution only share dealing

[1] Financial News/Private Equity News, December 2019. [2] The target return set out above is a target only and not a profit forecast and there can be no assurance that it will be met or that any capital growth or distributions will be achieved. [3] If funds managed by members of the Schroders group ("Schroder-managed funds") participate in the IPO, the seed investment may be reduced. The minimum aggregate seed and Schroder-managed funds investment is the lower of £20m and 10% of the Shares issued at IPO, and the maximum permitted seed, Schroder-managed funds and Schroder employees investment in aggregate, is 29.99%. of the Shares issued at IPO.

The key risks that are specific to the Company:

- The Company's strategy is to invest, initially, in companies impacted by the Covid-19 crisis in the approximately £50 million to £2 billion equity value range. These companies may not have the financial strength, diversity and resources which larger companies may have and there may be a higher risk that these companies will find it more difficult to operate during the Covid-19 crisis, as well as in periods of economic slowdown and recession. The risk of bankruptcy of such companies is also generally higher. Therefore, investment in such companies could be riskier than investments in larger companies and the deterioration in the financial condition or bankruptcy of such companies may result in greater volatility in the Company's net asset value ("NAV") and may materially and adversely affect the performance of the Company and returns to Shareholders.
- The long-term impacts of Covid-19 are unknown, rapidly-evolving and may be materially more severe and/or more permanent than anticipated. It is difficult to accurately predict the effects these factors may have on the investee companies within the Company's portfolio and on the Company. The Company may invest in investee companies which do not meet the target returns anticipated by the Portfolio Managers (being Schroder Investment Management Limited and Schroder Adveq Management AG (the "Portfolio Managers")) due to the Portfolio Managers underestimating or failing to accurately predict or foresee the time scale, severity and/or impacts of the Covid-19 crisis, which could result in a material adverse impact on the performance of the Company, the NAV and the returns to Shareholders.
- Private equity investments are difficult to value. Information from underlying investee companies may be delayed, missing or restricted which would lead to valuations being made on incomplete information.
- It is difficult to accurately time the exit of private equity investments. Exits will take time and the Portfolio Managers may have very little influence on any decisions around the timing on exits. Realisations of private equity investments may not occur on a regular straight line basis. Should an exit of a private equity investment be effected in such manner or time frame which is not compatible with the Company's investment horizon, this could result in a material adverse impact on the Company's NAV and on the return to Shareholders.
- There may not necessarily be a liquid market for shares in investee companies in the approximately £50 million to £2 billion equity value range even if their shares are publicly traded.
- The AIFM, the Portfolio Managers and their affiliates will provide services to other clients, which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of their activities on behalf of the Company.
- The Company may not meet its investment objective and returns of the Company are not guaranteed.
- The Company has a fixed life and in the event that no alternative proposals are put forward to Shareholders and approved by Shareholders ahead of the winding-up date, a winding-up resolution will be proposed at the winding-up date to voluntarily liquidate the Company. This could mean that certain investments, in particular, private equity investments, may not be able to be realised at an optimal price, or that the realisation of such investments may take longer than anticipated (as it could take several years after the commencement of the winding-up of the Company until all of the Company's private equity investments could be disposed of and any final distribution of proceeds made to Shareholders).
- The Company has no employees and the Directors have all been appointed on a non-executive basis. Therefore, the Company is reliant upon the performance of third party service providers for its executive function. Failure by any of these or any other service provider to carry out its obligations to the Company in accordance with the terms of its appointment, together with a failure by the Company to enforce such terms, could have a materially detrimental impact on the operation of the Company.
- Failure by the Company to maintain investment trust status, or changes in taxation legislation or practice, could result in the Company not being able to benefit from the current exemption for investment trusts from UK tax on chargeable gains and could affect the Company's ability to provide returns to Shareholders.
- Changes in tax legislation or practices or laws or regulations governing the Company's operations (in particular, the Listing Rules, the Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the AIFMD and the PRIIPs Regulation) may adversely affect the Company's business.

The key risks that are specific to the securities:

- The Company has a total return strategy and therefore may not pay dividends to Shareholders.
- The value of the Shares can fluctuate and may go down as well as up and an investor may not get back the amount invested. The market price of the Shares, like shares in all investment trusts, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment.
- There can be no guarantee that a liquid market in the Shares will exist. Accordingly, Shareholders may be unable to realise their Shares at the quoted market price or at all.
- The Company may issue new equity in the future pursuant to the Placing Programme or otherwise. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

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Past performance is not a reliable indicator of future results. Forecasts are not a reliable indicator of future performance. Investments in the Company are subject to risks associated with investments in the UK companies.

The purpose of this document is to provide summary information regarding the Company. You should read the prospectus before investing, especially the risk factors set out therein. For more information, go to www.schroders.com/SBOT

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