

Direction for 197288

To: Schroder Unit Trusts Limited

Ref: **00003636**

FRN: 197288

Of: 1 London Wall Place
London
EC2Y 5AU

AND

J.P Morgan Europe Limited

FRN: 124579

Of: 25 Bank Street
London
E14 5JP

Date: 9 February 2022

Handbook Version as in force at the date of this Direction**Power**

1. This direction is given by the *FCA* under section 250 of the *Act*.

Duration

2.
 - (1) This direction takes effect on 9 February 2022
 - (2) This direction ends on 8 February 2027

Rule modified

3. The *FCA* directs that the *rule* listed below applies in relation to the SUTL Cazenove GBP Sustainable Balanced Fund, the relevant *authorised unit trust scheme*, with the modification shown.
4. In the table below, underlining indicates the insertion of new text and striking through indicates deleted text.

Rule	Modification
	Investment in collective investment schemes

COLL 5.6.10R	A <i>non-UCITS retail scheme</i> , except for a <i>feeder NURS</i> (which must instead comply with COLL 5.6.26R), must not invest in <i>units</i> in a <i>collective investment scheme</i> (second <i>scheme</i>) unless the second <i>scheme</i> meets each of the requirements at (1) to (5) <u>and</u> , where applicable, <u>COLL 5.6.10-AR</u> :		
	(1)	the second <i>scheme</i> :	
		(a)	satisfies the conditions necessary for it to enjoy the rights conferred by the <i>UCITS Directive</i> ; or
		(b)	is a <i>non-UCITS retail scheme</i> ; or
		(c)	is a <i>recognised scheme</i> ; or
		(d)	is constituted outside the <i>United Kingdom</i> and the investment and borrowing powers of which are the same or more restrictive than those of a <i>non-UCITS retail scheme</i> ; or
		(e)	is a <i>scheme</i> not falling within (a) to (d) and in respect of which no more than 20% in value of the <i>scheme property</i> (including any <i>transferable securities</i> which are not <i>approved securities</i>) is invested;
	(2)	the second <i>scheme</i> operates on the principle of the prudent spread of risk;	
	(3)	<u>subject to COLL 5.6.10-AR</u> , the second <i>scheme</i> is prohibited from having more than 15% in value of the property of that <i>scheme</i> consisting of <i>units</i> in <i>collective investment schemes</i> (unless COLL 5.6.10AR applies);	
	(4)	the <i>participants</i> in the second <i>scheme</i> must be entitled to have their <i>units</i> redeemed in accordance with the <i>scheme</i> at a <i>price</i> :	
		(a)	related to the net value of the property to which the <i>units</i> relate; and
		(b)	determined in accordance with the <i>scheme</i> ; and
	(5)	where the second <i>scheme</i> is an <i>umbrella</i> , the provisions in (2) to (4) and COLL 5.6.7R (Spread: general) apply to each <i>sub-fund</i> as if it were a separate <i>scheme</i> .	

COLL 5.6.10-AR	The requirement in <i>COLL 5.6.10R(3)</i> , that the second <i>scheme</i> is prohibited from having more than 15% in value of the property of that <i>scheme</i> consisting of <i>units</i> in <i>collective investment schemes</i> , does not apply [where]:		
		(a)	the second <i>scheme</i> is the Schroder UK Real Estate Fund (PRN 577925);
		(b)	the <i>collective investment schemes</i> constituting the Schroder UK Real Estate Fund's <i>scheme property</i> are non-publicly owned special purpose vehicles (SPVs) for holding direct real estate; and
		(c)	investment in the Schroder UK Real Estate Fund does not exceed 5% of the investing <i>non-UCITS retail scheme's</i> value.

Guidance

5. The FCA has given this modification on the basis of certain facts and expectations, the non-existence or failure of any which, at the time of, or subsequent to, the granting of this modification, would negate the judgement that underlay the approval of the firm's application for this modification.

Interpretation

6. Interpretative provisions (including definitions) of the *Handbook* apply to this direction in the same way they apply to the *Handbook*.

Conditions

7. The modification is granted subject to the condition that the SUTL Cazenove GBP Sustainable Balanced Fund's investment in units of the Schroder UK Real Estate Fund is limited to a maximum of 5% of each investing *scheme's* value.

DOCUMENT AUTHOR

Paul Tidman

Waivers Team
Authorisations
Financial Conduct Authority