



Schroders

Additional Information to the PDS

Dated 31 March 2015

Contact details

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Important information

The information in this document forms part of the Product Disclosure Statement (PDS) of the Funds listed in this Additional Information booklet. You should read this booklet together with the relevant PDS before making a decision to invest in a Fund. Certain sections of this booklet may not apply to all Funds.

Information provided in each PDS and this Additional Information booklet is general information only and does not take into account your personal financial circumstances or needs. You should obtain your own financial advice before making an investment decision.

Schroder Funds	Class of Fund	ARSN	APIR	Beneficiary Lodgement Code
Australian Equities				
Schroder Australian Equity Fund	Professional Class	089 953 248	SCH0002AU	AEF
Schroder Wholesale Australian Equity Fund	Wholesale Class	100 857 823	SCH0101AU	WAE
Schroder Equity Opportunities Fund	Wholesale Class	128 708 645	SCH0035AU	EOF
Schroder Australian Smaller Companies Fund	Wholesale Class	128 708 476	SCH0036AU	ASC
QEP Global Equities				
Schroder Global Core Fund	Wholesale Class	092 337 365	SCH0003AU	GES
Schroder Global Value Fund	Wholesale Class	114 292 009	SCH0030AU	GAV
Schroder Global Value Fund (Hedged)	Wholesale Class	115 597 272	SCH0032AU	GVH
Schroder Global Quality Fund	Wholesale Class	136 599 409	SCH0041AU	GQF
Schroder Global Blend Fund	Wholesale Class	136 596 257	SCH0040AU	GDB
Schroder Global Blend Fund (Hedged)	Wholesale Class	146 945 137	SCH0051AU	GDH
Fixed Income				
Schroder Fixed Income Fund	Professional Class	089 952 849	SCH0016AU	FIS
Schroder Fixed Income Fund	Wholesale Class	089 952 849	SCH0028AU	FIF
Schroder Credit Securities Fund	Professional Class	092 060 172	SCH0024AU	HSS
Schroder Credit Securities Fund	Wholesale Class	092 060 172	SCH0103AU	HSF
Schroder Cash Plus Fund	Professional Class	131 418 025	SCH0038AU	CPF
Multi-Asset				
Schroder Real Return CPI Plus 5% Fund	Professional Class	132 446 103	SCH0039AU	RRF
Schroder Real Return CPI Plus 5% Fund	Wholesale Class	132 446 103	SCH0047AU	RRW
Schroder Real Return CPI Plus 3.5% Fund	Wholesale Class	163 314 305	SCH0096AU	R3W
Schroder Balanced Fund	Professional Class	092 337 203	SCH0010AU	BFS
Schroder Balanced Fund	Wholesale Class	092 337 203	SCH0102AU	SBF
Regional and Overseas Equities				
Schroder Asia Pacific Fund	Wholesale Class	092 337 936	SCH0006AU	APF
Schroder Global Emerging Markets Fund	Wholesale Class	121 251 410	SCH0034AU	GEM

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For personal use only

1. Significant features of a Fund

1.1. Our legal relationship with investors

The Corporations Act, general law and the Constitution set out the rights and interests of the unitholders in a Fund as investors and also set out the rights, duties and obligations of Schroder Investment Management Australia Limited (Schroders) as the Responsible Entity of each Fund.

Compliance plan

In accordance with the Corporations Act, a compliance plan has been prepared for each Fund and lodged with ASIC. The compliance plan, among other things, sets out the measures that Schroders will apply to ensure that each Fund is operated in accordance with the Constitution and the Corporations Act. The compliance plan will be audited at least once a year by an external auditor who will report on their findings to Schroders. A compliance committee, with a majority of external members, has been established for the purpose of monitoring Schroders' adherence to each Fund's compliance plan.

Constitution

Each Fund is governed by its Constitution. The main provisions of the Constitution are summarised below. The Constitution is legally binding between Schroders and each unitholder. To the extent there is any inconsistency between this PDS and the Constitution, the provisions of the Constitution will prevail. Subject to the Corporations Act, Schroders, as the Responsible Entity, may amend the Constitution. A copy of the Constitution is available for inspection free of charge at the offices of Schroders during normal business hours.

Rights and liabilities of unitholders

Each unit carries with it an equal beneficial interest in the relevant unit class of a Fund as a whole but not in any particular asset of the Fund. Fund income is only distributed to registered unitholders entitled to a distribution as at the last Business Day of the distribution period. Unitholders may not interfere with Schroders' powers or exercise any rights in respect of any investment of a Fund. Under the Constitution and the Corporations Act unitholders may:

- transfer units in a Fund;
- requisition, attend and vote at meetings of a Fund;
- share in the income and capital distributions of a Fund; and
- participate in the winding up of a Fund.

Generally, the Constitution limits a unitholder's liability to Schroders as the Responsible Entity to the value of that unitholder's investment in a Fund. However, no absolute assurance can be given due to the fact that this has not been tested in superior courts.

Liability of Schroders as the Responsible Entity

Subject to the Corporations Act, except in the case of its own fraud, gross negligence, or wilful default, Schroders is not liable to the extent that it is in fact able to be indemnified out of the assets of a Fund.

Retirement and removal of Schroders as the Responsible Entity

Schroders may be removed from a Fund in the circumstances set out in the Constitution and the Corporations Act, including where unitholders pass an extraordinary resolution to remove Schroders as the Responsible Entity. Schroders may also retire voluntarily and must call a meeting of unitholders who may choose a replacement by extraordinary resolution.

Termination of a Fund

Schroders may terminate a Fund at any time by giving notice to unitholders or in the circumstances provided in the Corporations Act, including pursuant to an extraordinary resolution passed by unitholders. Where a Fund is terminated, Schroders must dispose all the assets of the Fund and distribute the net proceeds to unitholders in proportion to the number of units held.

1.2. Keeping you informed

Unitholders may receive the following reports:

- confirmations for their initial investment and all subsequent transactions;
- periodic transaction statements;
- distribution summary;
- annual tax statements providing details required to complete Australian taxation returns. Investors who redeemed during any year and who have received a distribution during that period will also receive an annual tax statement; and
- annual audited financial statements.

If you are a retail client as defined in the Corporations Act, you are entitled to a periodic statement on your investments.

If you are investing through an intermediate investment such as an IDPS then reports on your investment will come from the operator of that service, not from Schroders.

Potential investors may obtain copies of audited financial statements and/or details of the underlying investments or current unit prices for a Fund by contacting Schroders.

Under the Constitution of a Fund, Schroders or its nominee has certain discretions in calculating unit prices. A documented unit pricing policy is maintained relating to the exercise of these discretions. A copy of the policy and documents relating to it are available free of charge on our website, www.schroders.com.au or by contacting Schroders.

Online account access

Online account access is available for direct investors providing easy and convenient online access for you to:

- check the total value of your investments in each Fund;
- view your account summary, including the class of units you are invested in, the number of units, unit price and current balance of the class of units you are invested in; and
- review your recent transaction history.

Investors who wish to access their unit holding information online should register for this service online at www.schroders.com.au. Investors will then be mailed a login ID, temporary password and activation instructions.

We will provide your adviser or authorised representative with a separate login ID and password to access your account information.

Access is subject to terms and conditions which will be available online upon accessing this service.

Continuous disclosure

Where a Fund has become a 'disclosing entity' as defined in the Corporations Act, it will be subject to continuous disclosure and reporting obligations under the Corporations Act. Copies of documents lodged with ASIC in relation to each Fund may be obtained from, or inspected at an ASIC office. Please contact Schroders if you wish to obtain a copy of the following documents:

- a Fund's annual financial report most recently lodged with ASIC;
- any half yearly report lodged with ASIC after the lodgement of the annual report and before the date of this PDS; or
- any continuous disclosure notices given by a Fund after lodgement of the latest annual or half yearly report and before the date of this PDS, as applicable.

The reports and notices will be provided as soon as practicable, and in any event within 5 days, after the

request is received. In addition, in the event that the Fund becomes a 'disclosing entity', any other continuous disclosure notices required under the Corporations Act will be made available on Schroders' website, www.schroders.com.au, in accordance with the requirements of ASIC policy.

1.3. How to invest in a Fund

You can make an investment into a Fund by completing the relevant application forms and sending it in accordance with the instructions contained in the form. Application forms can be found in the "Invest with Schroders" section of the Schroders website www.schroders.com.au.

As a member of the ASX's mFund Settlement Service, Schroders may apply to admit certain Funds as mFund products. As and when a Fund is admitted, you will be able to transact with Schroders through mFund.

Initial investment

The minimum initial investment is \$500,000 for the Professional Class and \$25,000 for the Wholesale Class of a Fund. An initial application for units must be made on the original application form attached to this PDS or, if the Fund is admitted to mFund, you can invest via certain ASX brokers. Initial applications may require supporting identification documents as part of the requirements of the Anti-Money Laundering and Counter-Terrorism Financing regime. These identification and verification requirements are outlined in the customer identification forms. Initial applications received by facsimile will not be accepted without prior agreement by Schroders. All initial applications will only be accepted if Schroders is satisfied with all details disclosed in the application form and associated client identification documents have been received.

Application requests will generally be funded in cash. Schroders may from time to time and in its absolute discretion, accept application requests by transfer of investments in-kind or by a switch of units into the Fund ('in specie' transfers). If agreed to by Schroders and a unitholder, investments the subject of 'in specie' transfers will be valued on the date units are created. All costs including any applicable stamp duty and other taxes, incurred as a result of the transfer, will be payable by the unitholder.

Advance notice is required for all transactions the subject of 'in specie' transfers.

Additional investments

The minimum additional investment is \$50,000 for the Professional Class and \$5,000 for the Wholesale Class of a Fund. Unitholders may make additional investments by forwarding payment in accordance with the 'Payment options' (refer below), together with written notification to Schroders or either a current application form or additional application form which can be downloaded from www.schroders.com.au.

You should be aware that any additional investments will be deemed to have been made on the terms of the then current PDS.

Cut-off times

The cut-off time for Schroders is normally 3pm Sydney time on a Dealing Day, and 10.15am for transactions made via mFund. Please note that the cut-off times for other administration platforms or certain ASX brokers may be earlier than Schroders' normal cut-off times.

Where application instructions are received by the relevant cut-off time on a Dealing Day and accepted by Schroders, units will normally be allocated at the unit price calculated for that Dealing Day.

Where an application instruction is received after the relevant cut-off time on a Dealing Day, the instruction will be treated as being received on the following Dealing Day, unless otherwise determined by Schroders at its discretion.

The cut-off times may be changed by Schroders at its discretion without notice. Typically an earlier cut-off time will be adopted on days when financial markets have shortened trading hours.

Please note that when investing via mFund, any errors made on the application instruction, including missing or incorrect bank details, may result in the order being automatically rejected by the registry system. Any rejected orders will not be processed and will require resubmission.

Investment of application monies

Schroders may invest the application monies accompanying an application for units (Application Amount) immediately upon receipt and acceptance of the application, even though the payment for the units is not cleared (Investment).

If Schroders has invested the Application Amount and cleared funds are not received by Schroders within such period from receipt of the application as Schroders determines, then:

- any units that have been allocated to the applicant will be voided and treated as though they were never issued;
- Schroders may take such steps as it considers necessary or desirable to unwind the Investment; and
- the investor will be liable to Schroders on behalf of a Fund for all liability, loss, costs, charges and expenses arising from, or incurred by a Fund, as a result of:
 - Schroders making and unwinding the Investment; and
 - Schroders not receiving the cleared funds from the investor on the date that Schroders made the Investment.

Payment options

For applications made through administration platforms or mFunds, the payment options will depend on the requirements of the relevant administration platform or ASX broker.

For applications lodged directly with Schroders, there are two options for payment set out below. Please note that direct debit is not facilitated by Schroders as a payment option. In the case of applications for amounts in excess of \$5 million, payments should be paid by direct deposit via Real Time Gross Settlement (RTGS). Any other payment method for such large applications may delay processing of the application.

Please note that the beneficiary lodgement code set out in the table at the start of this document should be quoted on all payment methods.

1. Cheque payments

Please make cheques payable to: "**Schroder Applications Trust Account No.1**" and cross "**Not Negotiable**".

Schroders will only accept cheques drawn from an Australian ADI.

Schroders will accept and process cheques received as cleared funds if received by 3pm Sydney time on a Business Day.

2. Direct deposit

Deposit application money directly into the following account:

Name of bank: JPMorgan Chase Bank N.A.
Branch: Sydney Australia
Bank account name: Schroder Applications Trust
Account No.1
SWIFT: CHASAU2X
BSB: 212 200
Account number: 01003 6955

Where funds are electronically transferred or deposited directly to the bank account, details of the deposit should accompany the application form. Schroders will accept notice of electronic transfer of funds as if deposited and cleared.

Where cleared funds are not received by Schroders, units may at Schroders' discretion not be allocated and the investor may be liable for reasonable administrative and transaction costs incurred by Schroders or the relevant Fund and any tax payable.

Physical cash will not be accepted at any time.

Discretion to reject applications

Where an application for investment into a Fund is of significant value or Schroders believes that it is not in the best interest of unitholders to accept the application, Schroders has absolute discretion to reject the application. Considerations which Schroders may take into account in exercising such discretion include, but are not limited to:

- ability to invest the application monies in an orderly fashion; and
- market closures or jurisdictional holidays, prevailing market conditions and suitability for investment.

Investors are strongly advised to contact Schroders at least 24 hours prior to lodging applications of significant value or to confirm whether an application amount will be considered to be significant by Schroders.

Other things you should know

The money paid to acquire units, or additional units, in a Fund may be held by Schroders or its custodian in a trust account for the benefit of the applicant until Schroders issues units to the applicant. Any income attributable to that application money will not be payable to the applicant on money held prior to the issue of units or if the application money is returned to the applicant.

If you are investing in a Fund indirectly through an intermediate investment operator such as IDPS please discuss the application requirements with your intermediate investment operator.

It is recommended that if a confirmation of investment has not been received within 5 Business Days, investors should contact Schroders.

Cooling-off period

A 14 day cooling-off period applies to investments in a Fund made by 'retail clients' as defined in the Corporations Act. As retail clients, your cooling-off period will begin when your transaction confirmation is received by you or on the 5th Business Day after units are issued (whichever is earlier) and will end on the 14th day after that date. The confirmation statement you receive on the initial application will state the date on which the units were issued.

During this 14 day period, retail clients have the right to cancel their initial investment by sending an authorised instruction to Schroders. The investor's initial investment will then be repaid after Schroders makes adjustments for changes in the value of the investment, reasonable administrative and transaction costs incurred by Schroders or a Fund and any tax payable.

The cooling-off period will end if and when an investor exercises their right to make an additional investment during the 14 day period. The cooling-off period does not apply in certain circumstances, such as where Schroders is required to suspend or freeze the withdrawal of units in accordance with the Constitution, the Corporations Act, or other anti-money laundering and counter terrorism financing obligations, or where investments are made by wholesale clients.

1.4. How to withdraw from a Fund

The minimum withdrawal amount is \$50,000 for the Professional Class and \$5,000 for the Wholesale Class of a Fund, unless the withdrawal relates to all the units held by that unitholder. Unitholders may request to withdraw some or all of their investment in a unit class of a Fund by sending a written authorised instruction to Schroders or, if the units are held via mFund, by placing a sell order with certain ASX brokers. Where payment instructions are not to a pre-nominated account, failure to provide the original withdrawal instruction to Schroders may cause delays in processing the instruction. Schroders does not accept instructions to pay to a third party and will not initiate payments to accounts with non-Australian ADIs unless otherwise agreed to by Schroders.

Please ensure that withdrawal requests are signed by the authorised signatories to the investment. In the case of a corporation, fund, trust, estate or where you are acting on behalf of another entity, written instructions must be

signed by authorised signatories as previously advised to Schroders.

Schroders will normally pay withdrawal proceeds within 7 Business Days of accepting a valid withdrawal request. In accordance with the relevant Fund's Constitution, Schroders has up to 40 Business Days after the date on which the withdrawal request has been received in which to pay the withdrawal amount. However, it should be noted that, in accordance with the Constitution, the Corporations Act, or other anti-money laundering and counter terrorism financing obligations, Schroders may suspend or freeze the withdrawal of units in a number of circumstances including where it is impractical to calculate the current unit value, due to, for instance, the closure of a securities exchange or otherwise required by law. Withdrawal requests will generally be met from cash resources or by the disposal of investments in a Fund. Schroders may satisfy withdrawal requests by transfer of transferable investments to the unitholder ('in specie' transfer). If agreed to by Schroders and a unitholder, investments that are the subject of 'in specie' transfers will be valued on the date units are cancelled. All costs including any applicable stamp duty and other taxes, incurred as a result of the transfer, will be payable by the unitholder.

Advance notice is required for all transactions the subject of 'in specie' transfers.

If your investment account balance falls below the minimum balance of \$500,000 for a Professional Class Fund and \$25,000 for a Wholesale Class Fund as a result of transactions you have made or attempt to make on your investment account, Schroders may close your account and withdraw your units without receiving a withdrawal request from you.

It is recommended that if a confirmation of withdrawal has not been received within 5 Business Days, investors should contact Schroders.

Cut-off times

The cut-off time for Schroders is normally 3pm Sydney time on a Dealing Day, and 10.15am for transactions made via mFund. Please note that the cut-off times for other administration platforms or certain ASX brokers may be earlier than Schroders' normal cut-off times.

Withdrawal requests received by the relevant cut-off time on a Dealing Day and accepted by Schroders, will normally be processed at the unit price calculated for that Business Day.

Where a withdrawal request is received after the relevant cut-off time on a Dealing Day, the withdrawal request will be treated as being received on the following Dealing Day,

unless otherwise determined by Schroders at its discretion.

The cut-off times may be changed by Schroders at its discretion without notice. Typically an earlier cut-off time will be adopted on days when financial markets have shortened trading hours.

Staggering of withdrawals

In the case of the Funds listed below, where Schroders believes it is in the best interests of unitholders, Schroders may satisfy a withdrawal request by staggering the withdrawal dates. This means that a withdrawal request may be processed progressively over a period of up to 40 Business Days (or such shorter period as outlined in the Constitution) at the withdrawal price calculated on the Business Day on which each partial withdrawal is processed.

Funds with the ability to effect 'staggering of withdrawals':

- Schroder Asia Pacific Fund
- Schroder Australian Equity Fund
- Schroder Equity Opportunities Fund
- Schroder Australian Smaller Companies Fund
- Schroder Balanced Fund
- Schroder Fixed Income Fund
- Schroder Credit Securities Fund
- Schroder Global Core Fund
- Schroder Global Blend Fund (Hedged)
- Schroder Real Return CPI Plus 3.5% Fund

1.5. Non-dealing days

Schroders may take into consideration the impact that market closures will have on a Fund's ability to access investment markets, and may elect to designate such market closures as non-dealing days for certain Funds. Where Schroders designates a Business Day as a non-dealing day, instructions received on the non-dealing day will be treated as being received on the following Business Day. A list of the designated non-dealing days is published on the Schroders' website at www.schroders.com.au and is regularly updated.

1.6. Terms and conditions of application and withdrawal

Units in a Fund will only be allocated following receipt and acceptance by Schroders of a completed application form, accompanying this PDS, plus any required documentation. Schroders has absolute discretion to accept or reject any application. Please refer to 'How to invest in a Fund' section for further information on applications. Please note that Schroders may require additional information or

documentation about the investor(s) in addition to those detailed in the application form before accepting any applications.

Withdrawal requests from a Fund will only be processed following receipt and acceptance by Schroders of a properly authorised instruction. Please refer to the 'How to withdraw from a Fund' section for further information.

Conditions and acknowledgments

An investor agrees to be bound by the following terms and conditions:

(i) Facsimile terms and conditions

By sending a facsimile the investor accepts the following terms and conditions:

- The investor bears the risk that someone who knows their account details may send Schroders an instruction to apply or withdraw via facsimile. Any action taken by that person will be deemed to be taken by the investor. Schroders is not responsible to the investor for any fraudulently completed communications. Schroders will not compensate the investor for any losses.
- The investor bears the risk that the use of this arrangement may result in the duplication of instructions received by Schroders. Schroders will not compensate investors for any losses arising from the processing of duplicate instructions.
- The investor agrees to release, discharge and indemnify Schroders, and any other related or associated entities of Schroders, from and against any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities, however arising out of the use of this arrangement.
- Schroders will only act on a completed communication which has been received by Schroders. A facsimile transmission certificate from the investor's facsimile machine is not evidence that the investor's facsimile was received by Schroders. Schroders is not liable for any loss or delay resulting from the non-receipt of any transmission.
- Initial applications, instructions to change payment details or signatories received by facsimile by Schroders will not be accepted without prior agreement by Schroders.
- The investor bears the risk of delays in processing instructions if a facsimile is not sent to the applications/withdrawals facsimile number.

- Schroders may cancel this arrangement or vary these conditions on 14 days' notice.

(ii) Signatories terms and conditions

- If the application form is signed under power of attorney, the attorney declares that he/she has not received notice of revocation of that power. A certified copy of the power of attorney should be submitted unless it has already been provided previously to Schroders.
- If investing as trustee on behalf of a superannuation fund or trust, the trustee confirms that they have the power and authority under the relevant trust deed to invest on behalf of the superannuation fund or trust.
- If investing on behalf of an unincorporated entity, the officer confirms that they have the power and authority under the relevant rules/Constitution to invest on behalf of the entity.
- In the case of joint applications, the investors agree to hold the units as joint tenants and acknowledge that, unless otherwise stated, either investor is able to operate the account, including making withdrawal requests and additional applications.
- If investing as a company/incorporated association, the investor confirms that they are officers of the company/incorporated association and that they have the authority to bind the company/incorporated association to the investment. If they are a sole signatory signing on behalf of a company, the investor confirms that they are signing as the sole director/secretary of the company.

(iii) Adviser/consultant and authorised signatories terms and conditions

If the adviser/consultant or authorised signatories section of this application form has been completed, the investor confirms that the following terms and conditions will apply to the appointment (subject to applicable legal requirements).

- Schroders will only pay the investor. Payment to third parties is not permitted.
- Schroders may treat the exercise of any power by a person reasonably believed to be acting as an investor's adviser/consultant or authorised signatory as if the investor had personally exercised those powers. An investor cannot claim that their adviser/consultant or authorised signatory was not acting on their behalf

until the arrangement is discontinued by written notice being received by Schroders.

- Schroders is authorised to disclose information about an investor's investment in a Fund to the investor's adviser/consultant or authorised personnel of the adviser/consultant.
- The investor's adviser/consultant or authorised signatory does not have the power to appoint another authorised signatory for an investor's investment. Only the investor has this power.
- The investor agrees to release, discharge and indemnify Schroders and any other related or associated entities of Schroders from and against any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities, however arising out of the use of this arrangement or the appointment or exercise of powers by the adviser/consultant or authorised signatory.
- If the payment is made in accordance with the request or instructions of the adviser/consultant or authorised signatory, the investor shall have no claim against Schroders and any related or associated entities in relation to the payment.
- Any document or information required to be provided to the investor under any law that is given by Schroders to the adviser/consultant or authorised signatory, in accordance with the requests or instructions of the adviser/consultant or authorised signatory, shall be to the complete satisfaction of the obligation of Schroders, notwithstanding any fact or circumstance including that the document or information was requested, made or received without the investor's knowledge or authority.
- The investor is bound by the actions of the adviser/consultant or authorised signatory in relation to the operation of their investment in a Fund.
- A person who gives another person access to the application form must at the same time and by the same means give the other person access to the PDS and any supplementary document. While the PDS is current, Schroders will send paper copies of the PDS, any supplementary document and the application form on request without charge.
- Schroders may cancel this arrangement or vary these conditions on 14 days' notice.

(iv) AML/CTF Acknowledgement

By applying to invest in a Fund you warrant that:

- You comply and will continue to comply with applicable AML and CTF laws and regulations, including but not limited to the law and regulations of Australia in force from time to time (AML/CTF Law);
- You are not aware and have no reason to suspect that:
 - i. the monies used to fund your investment in a Fund have been or will be derived from or related to any money laundering, terrorism financing or similar activities illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement ('illegal activity'); or
 - ii. the proceeds of your investment in a Fund will be used to finance any illegal activities;
- You will provide us with all additional information and assistance that we may request in order for us to comply with any AML/CTF Law; and
- You are not a 'politically exposed' person or organisation for the purposes of any AML/CTF Law.

You acknowledge that Schroders may, in its sole and absolute discretion but otherwise in accordance with the law, vary the terms of this PDS or alter the arrangements in respect of a Fund, where Schroders is required to do so due to changes in AML/CTF law.

By applying to invest in a Fund, you also acknowledge that we may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of units in a Fund, if we are concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under any AML/CTF Law, and we will incur no liability to you if we do so. You further acknowledge that Schroders is under no obligation to inform you of its intention to do any of the above, or the fact that it has done any of the above, nor is Schroders obliged to provide you with its reasons for any such actions.

(v) Foreign Account Tax Compliance Act (FATCA) Acknowledgement

Commencing 1 July 2014, certain 'foreign financial institutions' (FFIs) will be required to comply with FATCA. In order to avoid withholding tax of 30% on payments of US income or gross proceeds of the sale of certain US investments, the Funds as FFIs must comply with certain

reporting requirements. These include the collection and reporting of certain information about US and US-owned investors to the US tax authorities. The Funds may request certain information from investors in the Funds to comply with each Fund's obligations under FATCA.

Schroders may be required to deduct and withhold tax from payments made to non-US investors in the Funds if the investors are FFIs and they fail to comply with the reporting requirements imposed under FATCA.

You acknowledge that where Schroders becomes aware at any time that units in a Fund are beneficially owned by a US person, a US owned non-US entity, a non-participating FFI or a person who fails to provide the requisite documentation in relation to its US tax status, Schroders may at its sole discretion compulsorily redeem those units.

In addition, you acknowledge that Schroders may, in its sole discretion compulsorily redeem units from an account to ensure that units are not acquired or held in violation of these terms and conditions of the PDS, in breach of the law or requirements of any country or government or regulatory authority or which might cause adverse taxation or other pecuniary consequences for a Fund including a requirement to register under the laws and regulations of any country or authority.

1.7. Privacy

Schroders must comply with the Privacy Act. This Act generally regulates the collection, storage, quality, use and disclosure of personal information. Schroders may collect personal information from investors to provide its products and services. The Corporations Act and AML/CTF Act require Schroders to collect some personal information about you. In accordance with Schroders' Privacy Statement, in most cases, investors have rights to access their personal information. Schroders can use your personal information to assess your application for the investment product and, if you obtain the product, to manage that product. If you do not want us to use your personal information for direct marketing purposes please contact The Privacy Officer at the address set out below.

Schroders may disclose your personal information to anyone you have authorised or any adviser, consultant or dealer group advising you or acting on your behalf, government departments or agencies as well as any related entities of Schroders and anyone acting on Schroders and/or the adviser/consultant/dealer group's behalf such as external service suppliers who supply administrative, financial or other services to assist Schroders and/or the adviser/consultant/dealer group in providing financial services. If we are not able to collect all

the personal information we require, we may not be able to assess your application for the investment product or manage the product. Schroders may be required to transfer your personal information to entities located outside of Australia including London, Luxembourg and Singapore where it may not receive the level of protection afforded under Australian law.

Please note that if you provide personal information to Schroders about another person, you warrant that you are authorised by that person to do so and that you have informed that person of the information in this Privacy section.

Enquiries regarding access to personal information must be in writing and addressed to:

The Privacy Officer
Schroder Investment Management Australia Limited
GPO Box 5059
Sydney NSW 2001

Further information on how Schroders handles personal and sensitive information can be found in the Privacy Statement which is available on the Schroders website www.schroders.com.au. The Privacy Statement also contains information about how you can access and correct the information about you held by Schroders as well as how complaints may be made and how they will be dealt with by Schroders.

2. Significant risks of investing in a Fund

Investment risks

As highlighted in the PDS, the significant factors that may affect the performance or value of your investment include, but are not limited to:

Market risk

Market risk is the possibility that the market has negative returns over short or even extended periods. Different asset classes are exposed to different levels of market risk – for instance, cash investments have the lowest market risk whereas equities have higher market risks. The returns of individual securities in any asset sector would normally be determined by a combination of the market return and returns specific to each security. For a Fund which invests in more than one asset class, the level of market risk can vary from time to time subject to the allocation to each asset class at a particular point in time.

Market risk also relates to the risk that the value of investments can be directly or indirectly affected by changes in legislation, economic policy, political events, technology change and changes in global economic conditions (e.g. growth and inflation).

Equities risk

Over the longer term equities have generally outperformed other asset classes, however returns can be volatile. Equity performance will generally be based on, amongst other things, the underlying strength of the cash flows, balance sheet and management of a company. Also affecting the performance of equity markets are changes in global economic conditions (e.g. growth and inflation), interest rates and bond yields.

Interest rate/duration risk

The performance of fixed interest and debt securities will be sensitive to movements in domestic and international interest rates (e.g. increases in interest rates result in the capital value of fixed interest investments falling). Investments with longer terms and fixed coupon payments are more likely to be affected by interest rate changes than shorter term investments or floating rate securities.

Credit risk

Credit risk arises when an issuing entity defaults, which results in a loss of capital to a Fund. Investments in debt securities with a lower credit rating generally have a higher risk that the issuing entity will be unable to pay interest and principal when due.

Company risk

An investment such as a share or corporate bond in any company is exposed to changes within that company, or to its business environment. These events include changes to operations and/or management, changes to product distribution, legal action against the company or profit and loss announcements. These changes may affect the value of a Fund's investments (and thus the value of a Fund).

In addition, there is a risk that if the company becomes insolvent, a Fund's right of recovery against the assets of the company may rank lower than the secured creditors of the company.

International investments risk

International investments will give exposure to potentially additional risks that are not typically associated with investments in Australia. International investments risk includes but is not limited to political and economic uncertainties, regulatory and legal risk, currency risk, interest rate risk and liquidity risk.

Emerging Markets/Frontier Markets risk

Risks associated with investments in Emerging Markets/Frontier Markets include, but are not limited to, significantly greater price volatility than in developed markets, substantially less liquidity and significantly smaller market capitalisation of securities markets, more government intervention in the economy, higher rates of inflation, currency volatility, less government supervision and regulation of securities markets and participants in those markets and a higher degree of political uncertainty.

Currency risk

Units in a Fund are denominated in Australian dollars. However, investments of a Fund may be denominated in other currencies. Movements in the exchange rate between the Australian Dollar and other currencies may cause the value of these investments to fluctuate when expressed in Australian Dollars. Currency risk is minimised to the extent that investments are currency hedged.

Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of an underlying physical asset or market index. They can be used to manage certain risks, however they can create exposure to additional risks. These risks include the possibility that the derivative position is difficult or costly to reverse; that the value of the derivative does not move in line with the underlying physical position; or that the parties do not perform their obligations under the contract.

Liquidity risk

Liquidity risk relates to the probability of loss arising from the difficulty of selling an investment due to insufficient buyers or sellers in the open market or other prevailing market conditions. The level of liquidity can fluctuate especially for smaller company shares, microcap stocks and lower quality corporate debt. At times of lower liquidity the securities may trade at a discount to fair value, reducing the net asset value of a Fund if securities in the Fund need to be sold to fund withdrawals.

Counterparty risk

A Fund may conduct transactions through or with brokers, clearing houses, market counterparties and other agents. There is a risk that these counterparties fail to meet their contractual obligations resulting in loss of capital to a Fund.

If you invest via mFund, then you may be exposed to some additional counterparty risks. Losses can be incurred if a counterparty fails to deliver on its contractual obligations, experiences financial difficulty or abandons the mFund settlement service. In addition, there is some risk that the ASX may suspend or revoke the admission of the Fund to the mFund settlement service, that the ASX's systems could fail, or that there could be errors in connection with the system.

Regulatory and legal risk

Governments or regulators may pass laws, create policy, or implement regulation that affects a Fund or its underlying investments or the manager's ability to execute its investment strategies. Such initiatives may impact either a specific transaction type or market, and may be either country specific or global and may include the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital. Such changes may result in a Fund failing to achieve its investment objectives.

Administration risk

Investors transacting through an administration platform carry the risk that the operator of the administration platform may not perform its obligations properly. In the case of administration platforms which facilitate straight through processing and settlement, systems could fail and errors, anomalies or irregularities may arise.

Fund risk

The following risks are inherent in any managed fund:

- The investment team may change, which may affect a Fund's future performance;
- Investing in a Fund may result in a different outcome to investing directly because of the application of tax laws to the Fund, income or capital gains accrued in the Fund, the deduction of management costs, and the impact of investments into and withdrawals out of the Fund by other investors;
- The costs of your investment may increase through an increase in fees and costs. If this occurs, we will provide at least 30 days' prior written notice of any changes (see 'Changing the fees' in the 'More detailed information about fees and costs' section of this document);
- A Fund may be terminated; and
- Investing in a Fund with a smaller number of investments may lead to more volatile returns than investing in a Fund with a more diversified portfolio.

As stated above, as a result of these risks, the value of an investment in a Fund and the level of distributions may change.

3. More detailed information about fees and costs

Management costs

This is the revenue collected by Schroders for its services as Responsible Entity in overseeing the operations of a Fund and/or for providing access to a Fund's underlying investments. This revenue comprises a management fee and performance fee (if any) and may also include reimbursement for normal administration expenses while acting as the Responsible Entity of a Fund (such as fund accounting, unit registry, audit costs, postage and preparation of tax returns, etc.) which it is entitled to recover.

While Schroders is entitled to separately recover administration expenses from the assets of a Fund, Schroders has decided to pay these normal administration expenses out of its management fee entitlement and will only be reimbursed out of the assets of a Fund where such expenses are abnormal expenses.

The management costs of each Fund which comprise the management fee and performance fee (if any), inclusive of GST less any RITC entitlement are set out in each individual PDS for the relevant Fund.

Management fees

This is the fee for Schroders' services as Responsible Entity in overseeing the operations of the Fund and/or for providing access to the Fund's underlying investments. Schroders is entitled to management fees as set out in each individual PDS for the relevant Fund and are calculated on the NAV of the Fund (inclusive of GST less any RITC entitlement). Schroders may rebate all or part of its management fees to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. For further information, wholesale clients can contact Schroders at the address specified in the 'Contacting Schroders' section.

Other fees and costs may apply to the Fund. Unless otherwise agreed, Schroders may change the amount of any fees in this PDS (including increasing fees up to the maximum set out in the Constitution) without your consent. Fees disclosed in this PDS will not be changed without providing at least 30 days' advance notice to you.

Performance fees

Schroders is entitled to recover performance fees from the Schroder Equity Opportunities Fund and Schroder Australian Smaller Companies Fund. The performance fee is reflected in the daily unit price and paid annually (Payment Date) as follows for each of the Funds:

- Schroder Equity Opportunities Fund – at a rate of 15.4% p.a. (inclusive of GST less any RITC entitlement), of the gross outperformance above 2% p.a. over the S&P/ASX 300 Accumulation Index; and
- Schroder Australian Smaller Companies Fund – at a rate of 20.5% (inclusive of GST less any RITC entitlement) of the net outperformance over the S&P/ASX Small Ordinaries Accumulation Index.

Full details of how the fee is calculated are set out in the Constitution. As at the date of this PDS, no performance fee is being charged to any other Fund in this PDS.

Sometimes the calculation of the performance fee will result in a negative dollar amount (negative performance fee). This negative performance fee is offset against any entitlement to future performance fees. Schroders does not have to reimburse a Fund for negative performance fees. If the total accrued performance fee for a performance fee period is negative, the negative is carried over into the next performance fee period. Furthermore any negative performance fee will be reduced pro-rata with the percentage of any net outflow.

For periods of high outperformance, the performance fee may be substantial. We recommend you discuss this with your financial adviser to understand the impact of the performance fee.

We set out below some examples of when a performance fee¹ may be payable for the Schroder Australian Smaller Companies Fund and Schroder Equity Opportunities Fund.

Example of performance fee Schroder Australian Smaller Companies Fund	Balance of \$50,000
The Fund has not outperformed the Index since the last Payment Date.	No performance fee is payable
The Fund outperformed the Index after fees since the last Payment Date, but is insufficient to offset prior periods of negative performance fees.	No performance fee is payable
After allowing for any prior periods of negative performance fees, the Fund outperformed the Index by 3% ² after management fees since the last Payment Date.	20.5% x 3% x \$50,000 = \$307.50

Example of performance fee Schroder Equity Opportunities Fund	Balance of \$50,000
The Fund has not outperformed the Index plus 2% before fees since the last Payment Date.	No performance fee is payable
The Fund outperformed the Index plus 2% before fees since the last Payment Date, but is insufficient to offset prior periods of negative performance fees.	No performance fee is payable
After allowing for any prior periods of negative performance fees, the Fund outperformed the Index plus 2% by 3% ² before management fees since the last Payment Date.	$15.4\% \times 3\% \times \$50,000 = \$231$

1. Where performance fees are applicable, it is not possible to reliably estimate the actual performance fee payable in any given period as we cannot accurately forecast what the performance of a Fund will be.
2. For illustrative purposes Schroders has assumed 3% outperformance. The performance fee example is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. The actual level of outperformance can be higher or lower. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund.

Expense recoveries

Schroders may incur certain expenses whilst acting as the responsible entity of a Fund, such as fund accounting, unit registry, audit costs, postage and preparation of tax returns etc., which it is entitled to recover. Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by Schroders from the assets of a Fund. Subject to the items outlined below, under "Transaction costs", Schroders has decided to pay any normal expenses incurred in the administration of a Fund and will only be reimbursed out of the assets of a Fund where such expenses are abnormal expenses.

Abnormal expense recoveries

Schroders may recover abnormal expenses (such as costs of unitholder meetings, changes to constitutions, and defending or pursuing legal proceedings) from a Fund. Abnormal expenses are not generally incurred during the day-to-day operation of a Fund and are not necessarily incurred in any given year. The management costs set out in the PDS for each Fund do not include any abnormal expenses. Schroders may, in its sole discretion, decide not to recover these abnormal expenses from a Fund.

Transaction costs

The application price of units may be higher than the withdrawal price of those units. The difference between the application and the withdrawal prices is due to a difference in the allowance for transaction costs such as brokerage, buy/sell spreads in underlying securities, government taxes, duties and levies incurred when acquiring or disposing part or all of a Fund's underlying investments. This is commonly referred to as the buy/sell spread and is an additional cost to you. The buy/sell spread is expressed as a percentage of a Fund's unit price. Transaction costs such as bank charges, custody transaction costs and processing costs (for example, fees for filing tax reclaims) which cannot be reasonably incorporated into the buy/sell spread will be paid out of the assets of a Fund.

The buy/sell spread is additional to other costs you incur such as management costs and abnormal expense recoveries. The buy/sell spread is the same for all unit classes of a Fund. The table below sets out the buy/sell spread for each Fund as at 31 March 2015. To obtain an indication of the current buy/sell spreads that may apply to an application or withdrawal from a Fund, please visit www.schroders.com.au.

Buy/sell spreads

Schroder Funds	Class of Fund	Transaction costs per transaction (%) 'buy-sell spread'
Australian Equities		
Schroder Australian Equity Fund	Professional Class	0.25% on application, 0.25% on withdrawal
Schroder Wholesale Australian Equity Fund	Wholesale Class	0.25% on application, 0.25% on withdrawal
Schroder Equity Opportunities Fund	Wholesale Class	0.40% on application, 0.40% on withdrawal
Schroder Australian Smaller Companies Fund	Wholesale Class	0.50% on application, 0.50% on withdrawal
QEP Global Equities		
Schroder Global Core Fund	Wholesale Class	0.15% on application, 0.10% on withdrawal
Schroder Global Value Fund	Wholesale Class	0.20% on application, 0.15% on withdrawal
Schroder Global Value Fund (Hedged)	Wholesale Class	0.23% on application, 0.18% on withdrawal
Schroder Global Quality Fund	Wholesale Class	0.00% on application, 0.00% on withdrawal
Schroder Global Blend Fund	Wholesale Class	0.20% on application, 0.15% on withdrawal
Schroder Global Blend Fund (Hedged)	Wholesale Class	0.23% on application, 0.18% on withdrawal
Fixed Income		
Schroder Fixed Income Fund	Professional Class	0.12% on application, 0.12% on withdrawal
Schroder Fixed Income Fund	Wholesale Class	0.12% on application, 0.12% on withdrawal
Schroder Credit Securities Fund	Professional Class	0.20% on application, 0.20% on withdrawal
Schroder Credit Securities Fund	Wholesale Class	0.20% on application, 0.20% on withdrawal
Schroder Cash Plus Fund	Professional Class	0.12% on application, 0.12% on withdrawal
Multi-Asset		
Schroder Real Return CPI Plus 5%	Professional Class	0.20% on application, 0.20% on withdrawal
Schroder Real Return CPI Plus 5%	Wholesale Class	0.20% on application, 0.20% on withdrawal
Schroder Real Return CPI Plus 3.5%	Wholesale Class	0.18% on application, 0.18% on withdrawal
Schroder Balanced Fund	Professional Class	0.22% on application, 0.22% on withdrawal
Schroder Balanced Fund	Wholesale Class	0.22% on application, 0.22% on withdrawal
Regional and Overseas Equities		
Schroder Asia Pacific Fund	Wholesale Class	0.35% on application, 0.35% on withdrawal
Schroder Global Emerging Markets Fund	Wholesale Class	0.40% on application, 0.40% on withdrawal

The buy/sell spread is not subject to GST. No part of the buy/sell spread is paid to Schroders – the amount is retained in the assets of a Fund to protect ongoing investors from the transaction activity driven by applications and withdrawals.

The size of the buy/sell spread may, subject to law, be varied from time to time without notice, to ensure that non-transacting investors are not adversely impacted by applications or withdrawals made by other investors. For example, a different amount or estimate may apply when brokerage costs or the difference between the bid and offer prices for assets change. In stressed and dislocated market conditions, the buy/sell spread may increase significantly.

In addition, we may at our discretion adjust the buy/sell spread in certain situations such as when there is a simultaneous purchase and sale of units of equivalent value by different investors or an investor subscribes for assets (rather than cash) on an application or receives assets (rather than cash) on a withdrawal.

Reinvested distributions do not incur the buy/sell spread.

Costs of mFund and other broker assisted channels

Where a Fund is available for transactions via the mFund settlement service or other broker assisted channels and you access the Fund through these services, your broker may charge you an additional fee in connection with the transactions initiated through these services. Please consult your broker at the appropriate time and consider your broker's Financial Services Guide.

Additional payments made by Schroders

Schroders may, subject to law and ASIC's 'Regulatory Guide 246: Conflicted Remuneration', make non-volume based Product Access Payments (flat dollar amounts) to IDPS operators who distribute a Fund on their investment menu. These payments may help to cover costs incurred in establishing and maintaining a Fund on those menus, and certain other marketing and distribution costs. If these types of payments are made, they are paid directly by Schroders and do not impact a Fund. Schroders will negotiate the amount of the Product Access Payment with each IDPS operator.

Subject to law, Schroders may also make Fund Manager Payments (rebates) to IDPS operators, dealer groups and financial advisers for their marketing support. We may also provide other types of non-monetary benefits such as technical support and sponsorship of professional development days. If these types of payments are made, they are paid directly by Schroders and do not impact any Fund, nor are they a further amount you pay.

As a member of the Financial Services Council, we are required to maintain a register in compliance with the Industry Code of Practice on Alternative Forms of Remuneration summarising alternative forms of remuneration that are paid or provided to financial advisers. If you would like to review this register, please contact Client Services on 1300 136 471.

Other fees and charges

Where permissible, a Fund may in accordance with its investment guidelines, hold investments in unlisted unit trusts or funds. Any associated management fee, administration and transaction costs within these investments are incorporated in the unit price of the investments and reflected in the valuation of the investments held by a Fund. Where a Fund invests in an underlying fund managed by an associated entity of Schroders any management fee or performance fee payable will be offset by Schroders with an appropriate rebate. In addition, these investments may incur statutory charges and expenses.

Changing the fees

Schroders may change the amount of any fees in the PDS (including increase fees up to the maximums set out in the Constitution) without your consent on 30 days advance notice to you. In accordance with the Constitution and subject to law, Schroders may vary the amount of abnormal expense recoveries and the buy/sell spread at any time without your consent or notice.

Schroders may introduce and increase fees at its discretion, including where increased charges are due to Government changes to legislation, increased costs, significant changes to economic conditions and/or the imposition of increased processing charges by third parties.

Management fees

The maximum management fee for each Fund under the relevant Constitution is set out in the table below.

Schroder Funds	Class of Fund	Maximum management fee (p.a.) exclusive of GST	Maximum management fee (p.a.) inclusive of GST net of RITC
Australian Equities			
Schroder Australian Equity Fund	Professional Class	0.62%	0.64%
Schroder Wholesale Australian Equity Fund	Wholesale Class	3.00%	3.08%
Schroder Equity Opportunities Fund	Wholesale Class	5.00%	5.13%
Schroder Australian Smaller Companies Fund	Wholesale Class	5.00%	5.13%
QEP Global Equities			
Schroder Global Core Fund	Wholesale Class	3.50%	3.60%
Schroder Global Value Fund	Wholesale Class	3.00%	3.08%
Schroder Global Value Fund (Hedged)	Wholesale Class	3.00%	3.08%
Schroder Global Quality Fund	Wholesale Class	5.00%	5.13%
Schroder Global Blend Fund	Wholesale Class	5.00%	5.13%
Schroder Global Blend Fund (Hedged)	Wholesale Class	5.00%	5.13%
Fixed Income			
Schroder Fixed Income Fund	Professional Class	0.50%	0.51%
Schroder Fixed Income Fund	Wholesale Class	3.50%	3.59%
Schroder Credit Securities Fund	Professional Class	3.00%	3.08%
Schroder Credit Securities Fund	Wholesale Class	3.00%	3.08%
Schroder Cash Plus Fund	Professional Class	5.00%	5.13%
Multi-Asset			
Schroder Real Return CPI plus 5% Fund	Professional Class	5.00%	5.13%
Schroder Real Return CPI plus 5% Fund	Wholesale Class	5.00%	5.13%
Schroder Real Return CPI plus 3.5% Fund	Wholesale Class	5.00%	5.13%
Schroder Balanced Fund	Professional Class	0.58%	0.59%
Schroder Balanced Fund	Wholesale Class	3.50%	3.59%
Regional and Overseas Equities			
Schroder Asia Pacific Fund	Wholesale Class	3.50%	3.59%
Schroder Global Emerging Markets Fund	Wholesale Class	3.00%	3.08%

Schroders cannot charge more than the maximum management fees set out in the table above per annum inclusive of GST net of reduced input tax credits as permitted under the Constitution of each Fund (otherwise we would need members' approval to increase the fee maximums in the Constitution of each Fund).

Performance fees

The table below shows the Funds for which Schroders is entitled to charge a performance fee under each relevant Fund's Constitution. Details of the maximum rate p.a. under the Constitution (inclusive of GST less any RITC) and whether a performance fee is currently being charged are also provided.

Schroder Funds	Class of Fund	Maximum performance fee (p.a.) under the Constitution inclusive of GST less RITC	Performance fee (p.a.) currently charged (inclusive of GST less RITC)
Australian Equities			
Schroder Equity Opportunities Fund	Wholesale Class	33.80%	15.4% of gross outperformance above 2% p.a. (calculated daily) over the S&P/ASX 300 Accumulation Index calculated daily.
Schroder Australian Smaller Companies Fund	Wholesale Class	33.80%	20.5% of net outperformance over the S&P/ASX Small Ordinaries Accumulation Index.
QEP Global Equities			
Schroder Global Blend Fund (Hedged)	Wholesale Class	33.80%	Not applicable
Fixed Income			
Schroder Cash Plus Fund	Professional Class	33.80%	Not applicable
Multi-Asset			
Schroder Real Return CPI plus 5% Fund	Professional Class	33.80%	Not applicable
Schroder Real Return CPI plus 5% Fund	Wholesale Class	33.80%	Not applicable

If charged, the performance fee is reflected in the daily unit price and paid annually.

Establishment fee

Each Fund has a maximum entry fee of up to 5.00% of the application money for units or the market value of the property or any other lesser amount as agreed between the applicant and their adviser and notified to Schroders. This fee is not subject to GST.

Withdrawal fee

Each Fund has a maximum withdrawal fee of up to 5.00% of the withdrawal price or such other amount as agreed between Schroders and the relevant unitholder. This fee is not subject to GST.

Expense recovery fee

There is no limit under the Constitution for expenses incurred in relation to the proper performance of Schroders' duties.

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4. Taxation

The Australian taxation information below is of a general nature only and does not take into account the specific circumstances of any unitholder. Schroders does not purport to offer any taxation advice. Each unitholder should obtain independent professional tax advice on the tax implications of their investments in the units of a Fund based on their own circumstances. The taxation information provided is based on current Australian law and may be subject to change.

The information below is based on a unitholder holding their units on capital account.

New Zealand investors should seek their own advice on the New Zealand law taxation implications of their investment.

General taxation

It is intended that Schroders, in its capacity as the responsible entity of a Fund, will not be liable to pay Australian income tax. Unitholders will be presently entitled to all of the taxable income of a Fund each year. Under current tax law, unitholders will be liable to pay tax on their share of the taxable income of a Fund. The taxable income may include all income, net capital gains and specifically taxed items such as foreign investment fund income less allowable deductions. Unitholders may also be entitled to claim their share of any franking credits and foreign tax credits of a Fund.

A share of taxable income of a Fund will be included in a unitholder's assessable income for the relevant year, even if distributions are reinvested in additional units or the actual distributions differ from the taxable amount.

Distributions to unitholders may include tax deferred amounts. These amounts are not immediately assessable when received by a unitholder but are applied to reduce the unitholder's cost base in their units in a Fund which will impact the calculation of any gain or loss on the ultimate disposal of their units. If the cost base of units in a Fund is reduced to nil, any further tax deferred amounts received are assessable as capital gains to the unitholder.

On disposal of a unit in a Fund, income tax may be payable on any capital gain realised. Individuals, trusts,

complying superannuation funds or life insurance companies may be entitled to discount their gain for tax purposes where the units have been held for more than 12 months. If units in a Fund are disposed of for a loss, a capital loss may arise which may be offset against capital gains in the current or subsequent income years. Tax losses within a Fund cannot be claimed by unitholders and will be carried forward to be utilised by a Fund, subject to the tests for deductibility.

GST

References to GST in this Additional Information booklet and the PDS are to GST payable in Australia.

No GST should be payable on the acquisition, disposal, withdrawal or transfer of units in a Fund, nor on any income distributed in respect of the units held by a unitholder in a Fund.

GST may apply to fees and expenses charged to a Fund, and those fees and expenses plus any applicable GST may be recoverable from the assets of a Fund. However, depending on the nature of the fees and expenses, a Fund may be entitled to RITCs in respect of that GST. Where a Fund is precluded from claiming RITCs, the assets of a Fund will be reduced.

The GST regulations were amended from 1 July 2012 which has the effect of increasing some fees. This is because under the changes "recognised trust schemes" (which include the Funds) will only be eligible for a RITC of 55% of the GST it pays on an acquisition certain services rather than the prevailing rate of 75%.

Schroders advises that all fees and costs disclosed in this PDS inclusive of GST net of RITC have been calculated on a reasonable estimate of the RITC which a Fund is expected to be able to claim. Accordingly, the actual costs and expenses inclusive of GST net of RITC may be subject to change without prior notice due to a Fund's ability to claim RITC on the expenses incurred.

Non-resident taxation

Deductions of Australian withholding tax and non-resident income tax may be made from distributions of Australian sourced taxable income for investors with an overseas address or for non-resident investors temporarily residing in Australia.

5. Other important information

Custodian

Schroders has appointed JPMorgan Chase Bank N.A. (Sydney Branch) (JPMorgan) to hold each Fund's assets. We will pay JPMorgan a fee for acting as a Fund's custodian. This fee is not an additional fee to you and is included in the management costs described in the PDS.

In its role as custodian, JPMorgan as the global custodian safekeeps assets of the Funds. The role of the custodian is limited to holding assets of the Funds and it has no supervisory role in relation to the operation of the Funds. The custodian does not make investment decisions in respect of the assets held or manage those assets, and has no liability or responsibility to investors in the Funds. Additionally, the custodian is a paid service provider and is not responsible for the preparation of this document and therefore accepts no responsibility for any information in this document.

The custodian may be changed from time to time and we may change the custodian where we are satisfied that the proposed new custodian meets applicable regulatory requirements. You will not be notified of a change in custodian.

Related party transactions

Schroder Investment Management Australia Limited is a wholly owned subsidiary of Schroders plc and part of the Schroders Group. For these purposes, a related party includes certain entities and individuals that have a close relationship with Schroders, including, but not limited to Schroders plc itself, other subsidiaries of Schroders plc and other funds operated or managed by members of the Schroders Group.

We may from time to time use the services of related parties (including, but not limited to, investment management and administration) and pay commercial rates for these services. We may also enter into financial or other transactions with related parties in relation to the assets of a Fund and such arrangements will be based on arm's length commercial terms or as otherwise permissible under the law.

In the course of managing a Fund we may come across conflicts in relation to our duties to a Fund, related funds and our own interests. We have internal policies and procedures in place to manage all conflict of interest appropriately. These policies and procedures will be reviewed on a regular basis and may change from time to time. In addition to complying with these policies and procedures, all conflicts will be resolved in a fair and reasonable manner, in accordance with the relevant law and ASIC requirements.

6. Glossary

Absolute Return	means the return that an asset or strategy achieves over a period of time without reference to any other measure or benchmark.
ADI	means an Authorised Deposit-taking Institution.
AML/CTF Law	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) as amended from time to time.
ASIC	means the Australian Securities and Investments Commission or if it ceases to exist, any regulatory body or authority as then serves substantially the same objects.
ASX	means the ASX Limited, the operator of the Australian Securities Exchange.
Business Day	means any day excluding a Saturday or Sunday on which banks are open for business in Sydney.
Constitution	means the constitution of the relevant Fund, as amended or replaced from time to time.
Corporations Act	means the Corporations Act 2001 (Cth) as amended from time to time.
Dealing Day	means a Business Day that has not been designated a 'non-dealing day' in accordance with section 1.5.
Emerging Markets	means developing countries around the world which are characterised by a stronger growth potential than mature economies. The investable universe of Emerging Markets is commonly defined by, but not limited to, the MSCI Emerging Markets Index.
FATCA	means the Foreign Account Tax Compliance Act enacted by the United States which impose obligations including the collection and reporting of certain information about US and US-owned investors to the US tax authorities.
Frontier Markets	means frontier countries which are defined by, but not limited to, the MSCI Frontier Markets Index.
Fund	means the relevant fund as set out in the table on page 1, which are registered managed investment schemes under the Corporations Act.
Growth	Growth investing is a style of investing which focuses on stocks exhibiting strong earnings expansion and high profit expectations, regardless of their valuation.
GST	means any goods and services tax, consumption tax, value-added tax or similar impost or duty which is or may be levied or becomes payable in connection with the supply of goods or services.

IDPS	means Investor Directed Portfolio Services.
Market Capitalisation	means the total market value of the issued shares of a publically traded company.
mFund	means the mFund Settlement Service offered by ASX.
NAV or Net Asset Value	means the total assets minus the total liabilities of the relevant Fund, units or portfolio in question, as determined in accordance with the Constitution.
Privacy Act	means the Privacy Act 1988 (Cth) as amended from time to time.
QEP	means Schroders' Quantitative Equities Products investment team.
Quality	means Quality investing which is a style of investment strategy which seeks to focus on quality companies with stable growth that are financially strong.
Responsible Entity	has the meaning defined in the Corporations Act. The Responsible Entity of the Fund is Schroder Investment Management Australia Limited.
RITC	means a "reduced input tax credit" as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) as amended from time to time.
Value	Value investing is a style of investment strategy which focuses on companies whose shares appear underpriced ; these may include shares that are trading at, for example, high dividend yields or low price-to-earning or price-to-book ratios.

7. Contacting Schroders

Schroder Investment Management Australia Limited (ABN 22 000 443 274) (AFSL No: 226 473)

Registered office

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Schroders unit registry

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Applications/withdrawals facsimile

Attention: Schroders Unit Registry
C/-Link Market Services
Fax: (+612) 9287 0369