

## Additional Information to the PDS

Dated: 1 October 2020

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### Issuer and responsible entity

#### Contact details

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

#### Registered office

Level 20, Angel Place  
123 Pitt Street  
Sydney NSW 2000

#### Schroders unit registry

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#### Website

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#### Client services telephone

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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.

This Additional Information booklet is issued by Schroder Investment Management Australia Limited ABN 22 000 443 274 (**Schroders**) as responsible entity for each Fund. References to "Schroders Group" are to Schroders plc and its subsidiaries. No Schroders Group company, other than us, makes any statement or representation in this document.

The information contained in each PDS and this Additional Information booklet is general information only and does not take into account your objectives, financial situation or needs. Before acting on the information contained in each PDS and this Additional Information booklet you should consider the appropriateness of the information having regard to your objectives, financial situation and needs. You should seek financial advice tailored to your objectives, financial situation and needs before making an investment decision.

Schroder Funds	Class of Fund	ARSN	APIR	Beneficiary Lodgement Code	PDS date
<b>Australian Equities</b>					
<b>Schroder Australian Equity Fund</b>	Professional Class	089 953 248	SCH0002AU	AEF	1 October 2020
<b>Schroder Wholesale Australian Equity Fund</b>	Wholesale Class	100 857 823	SCH0101AU	WAE	1 October 2020
<b>Schroder Equity Opportunities Fund</b>	Professional Class	128 708 645	SCH5738AU	EOP	1 October 2020
<b>Schroder Equity Opportunities Fund</b>	Wholesale Class	128 708 645	SCH0035AU	EOF	1 October 2020
<b>QEP Global Equities</b>					
<b>Schroder Sustainable Global Core Fund</b>	Wholesale Class	092 337 365	SCH0003AU	GES	1 October 2020
<b>Schroder Global Value Fund</b>	Wholesale Class	114 292 009	SCH0030AU	GAV	1 October 2020
<b>Schroder Global Value Fund (Hedged)</b>	Wholesale Class	115 597 272	SCH0032AU	GVH	1 October 2020
<b>Schroder Global Sustainable Equity Fund</b>	Wholesale Class	136 596 257	SCH0040AU	GDB	1 October 2020
<b>Schroder Global Sustainable Equity Fund (Hedged)</b>	Wholesale Class	146 945 137	SCH0051AU	GDH	1 October 2020
<b>Schroder Emerging Markets Sustainable Fund</b>	Wholesale Class	157 846 145	SCH0097AU	QEW	1 October 2020
<b>Fixed Income</b>					
<b>Schroder Fixed Income Fund</b>	Professional Class	089 952 849	SCH0016AU	FIS	1 October 2020
<b>Schroder Fixed Income Fund</b>	Wholesale Class	089 952 849	SCH0028AU	FIF	1 October 2020
<b>Schroder Absolute Return Income Fund</b>	Professional Class	092 060 172	SCH0024AU	HSS	1 October 2020
<b>Schroder Absolute Return Income Fund</b>	Wholesale Class	092 060 172	SCH0103AU	HSF	1 October 2020

Schroder Funds	Class of Fund	ARSN	APIR	Beneficiary Lodgement Code	PDS date
<b>Multi-Asset</b>					
<b>Schroder Real Return CPI Plus 5% Fund</b>	Professional Class	132 446 103	SCH0039AU	RRF	1 October 2020
<b>Schroder Real Return CPI Plus 5% Fund</b>	Wholesale Class	132 446 103	SCH0047AU	RRW	1 October 2020
<b>Schroder Real Return CPI Plus 3.5% Fund</b>	Wholesale Class	163 314 305	SCH0096AU	R3W	1 October 2020
<b>Schroder Strategic Growth Fund</b>	Professional Class	092 337 203	SCH0010AU	BFS	1 October 2020
<b>Schroder Strategic Growth Fund</b>	Wholesale Class	092 337 203	SCH0102AU	SBF	1 October 2020
<b>Regional and Overseas Equities</b>					
<b>Schroder Asia Pacific Fund</b>	Wholesale Class	092 337 936	SCH0006AU	APF	1 October 2020
<b>Schroder Global Emerging Markets Fund</b>	Wholesale Class	121 251 410	SCH0034AU	GEM	1 October 2020
<b>Schroder Global Recovery Fund</b>	Professional Class	603 473 329	SCH4757AU	GRS	1 October 2020
<b>Schroder Global Recovery Fund</b>	Wholesale Class	603 473 329	SCH0095AU	GRW	1 October 2020

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## 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. Each compliance plan, among other things, sets out the measures that Schroders will apply to ensure that the relevant Fund is operated in accordance with the Constitution and the Corporations Act. Each 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 each Fund's Constitution are summarised below. Each Constitution is legally binding between Schroders and each unitholder in the relevant Fund. To the extent there is any inconsistency between this Additional Information booklet, a Fund's PDS and the Constitution for the Fund, the provisions of the Constitution will prevail. Subject to the Corporations Act, Schroders, as the responsible entity, may amend each Constitution. A copy of each 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 each 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 if it does so it 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 of 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 a platform such as an IDPS or IDPS like platform then reports on your investment will come from the operator of that platform, not from Schroders.

Potential investors or current 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.

Details of underlying investments for a Fund are generally provided to investors on a 60 day lagged basis. Investors may make a written request to Schroders (see contact details on page 1) to receive details of underlying investments of a Fund earlier than this. Where an investor requests more current details of the underlying investments, Schroders will generally require the recipient to sign a confidentiality agreement of the form required by Schroders before providing the information.

Under the Constitution of a Fund, Schroders or its nominee has certain discretions in calculating unit prices. A documented unit pricing discretions 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](http://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](http://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 that 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. We will meet our continuous disclosure obligations by publishing material information on our website [www.schroders.com.au](http://www.schroders.com.au). Copies of documents lodged with ASIC in relation to each Fund may be obtained from, or inspected at an ASIC office. You have a right to obtain a copy of the following documents from us at no charge:

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

## 1.3 How to invest in a Fund

You can make an investment into a Fund by completing the relevant application forms and submitting it to Schroders in accordance with the instructions contained in the form. Application forms can be found in the 'Investing with us' section of the Schroders website [www.schroders.com.au](http://www.schroders.com.au). For certain investor types the application form may be able to be submitted online. Alternatively, you can print out and submit the relevant available application form to us in hard copy.

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 \$20,000 for the Wholesale Class of a Fund. An initial application for units must be made on the current application form accompanying this Additional Information booklet and the relevant 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 AML/CTF Law. 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 that relate to '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 via BPAY® or by forwarding payment in accordance with the 'Payment options' (refer below), together with duly authorised written notification to Schroders (including details of the investor's name, address, contact telephone number, investor code number, payment method and application details) or by completing either a current application form or additional application form which can be downloaded from [www.schroders.com.au](http://www.schroders.com.au).

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

### Cut-off times

The cut-off time for Schroders is normally 3pm Sydney time on a Dealing Day, and 11.15am 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.

For the Schroder Emerging Markets Sustainable Fund, Schroders requires notice of at least one Dealing Day to process an application. Accordingly, where application instructions for that fund are received by 3pm Sydney time on a Dealing Day and accepted by Schroders, the application will normally be processed on the following Dealing Day (**Transaction Day**) and units will be normally allocated at the unit price calculated for the Transaction Day.

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 (**Investment**) is not cleared.

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 losses, 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 three 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 Dealing Day.

### 2. Direct deposit

Deposit application money directly into the following account:

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

### 3. BPAY®

For initial applications submitted via our online application form and 'additional' applications, payment can be made via BPAY using your on-line banking facility. Applications made by BPAY do not need to be accompanied by a paper instruction. For additional applications received by BPAY, we will issue units when the money is received from your nominated financial institution. There may be a delay between the BPAY instruction and the day the units are issued.

®Registered to BPAY Pty Ltd ABN 69 079 137 518

## Discretion to reject applications

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:

- ensuring the best interests of unitholders;
- 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. Any interest earned on such application money will become an asset of the relevant Fund.

If you are investing in a Fund indirectly through an intermediate investment operator such as an 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. There may be capital gain/loss tax implications if you happen to receive more or less back than you originally invested.

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 AML/CTF Law obligations, or where investments are made by wholesale clients.

## 1.4 How to withdraw from a Fund

Unitholders may request to withdraw some or all of their investment in a unit class of a Fund by sending a written notification or completing a withdrawal form that can be downloaded from [www.schroders.com.au](http://www.schroders.com.au) or, if the units are held via mFund, by placing a sell order with certain ASX brokers.

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. 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 between 30 to 40 Business Days\* after the date on which the withdrawal request has been received in which to pay the withdrawal amount. For the maximum withdrawal period relevant to each Fund (subject to any rights to suspend or stagger fund redemptions that Schroders may have), please refer to the table below. It should be noted that, in accordance with the Constitution, the Corporations Act, or other AML/CTF Law obligations, Schroders may suspend, stagger 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 as 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 relate to an 'in specie' transfer 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 'in specie' transfers.

If your investment account balance falls below the minimum balance of \$500,000 for a Professional Class or \$20,000 for a Wholesale Class of a Fund as a result of transactions you have made or attempt to make on your investment account, Schroders may close your account, cancel your units and return the proceeds 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.**

\*Maximum withdrawal periods (subject to Schroders' rights to suspend or stagger withdrawals).

### Withdrawal period of up to 30 days

- Schroder Asia Pacific Fund
- Schroder Australian Equity Fund
- Schroder Strategic Growth Fund
- Schroder Fixed Income Fund
- Schroder Sustainable Global Core Fund
- Schroder Absolute Return Income Fund
- Schroder Global Recovery Fund

### Withdrawal period of up to 30 Business Days

- Schroder Wholesale Australian Equity Fund
- Schroder Global Emerging Markets Fund
- Schroder Global Value Fund
- Schroder Global Value Fund (Hedged)

### Withdrawal period of up to 40 Business Days

- Schroder Equity Opportunities Fund
- Schroder Global Sustainable Equity Fund (Hedged)
- Schroder Global Sustainable Equity Fund
- Schroder Emerging Markets Sustainable Fund
- Schroder Real Return CPI Plus 5% Fund
- Schroder Real Return CPI Plus 3.5% Fund

## Cut-off times

The cut-off time for Schroders is normally 3pm Sydney time on a Dealing Day, and 11.15am 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.

For the Schroder Emerging Markets Sustainable Fund, Schroders requires notice of at least one Dealing Day to process a withdrawal request. Accordingly, where a withdrawal request for that fund is received by 3pm Sydney time on a Dealing Day and accepted by Schroders, the withdrawal request will normally be processed on the following Dealing Day (**Transaction Day**) at the unit price calculated for the Transaction Day.

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 Strategic Growth Fund
- Schroder Fixed Income Fund
- Schroder Absolute Return Income Fund
- Schroder Sustainable Global Core Fund
- Schroder Global Sustainable Equity Fund (Hedged)
- Schroder Real Return CPI Plus 3.5% Fund
- Schroder Emerging Markets Sustainable Fund
- Schroder Global Recovery 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 Schroders' website at [www.schroders.com.au](http://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, which accompanies the PDS and this Additional Information booklet, plus any required documentation. Schroders has absolute discretion to accept or reject any application. Please refer to the '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 acknowledgements

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

### 1. Facsimile and email terms and conditions

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

- The investor authorises Schroders and any of its authorised agents to act upon instructions given by facsimile or email with respect to Units subscribed for (and any further Units purchased) or any matter in connection with them without any liability in respect of any transfer, payment or any other act done in accordance with such instructions, including payment of proceeds from sales of Units.
- The investor bears the risk that someone who knows their account details may send Schroders an instruction to apply or withdraw via facsimile or email. 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 that 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. Similarly, a record on the investor's email software showing that an email has been sent is not evidence that the email 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 or email 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 or an email is sent to the wrong email address.
- Schroders may cancel this arrangement or vary these conditions on 14 days' notice.

## 2. 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 been provided previously to Schroders.
- If investing as trustee of a superannuation fund or trust, the trustee confirms that they have the power and authority under the relevant trust deed to invest as trustee 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.
- Are 18 years of age or over (otherwise applications must be made in the name of parent/guardian and signed by parent/guardian).
- Where a document received by Schroders bears a signature of an investor that has been applied electronically, and the signature appears to be authentic, Schroders will be entitled to assume (without making any further enquiries) that the investor has applied, or has authorised the application of, the signature and to act on the document as if it had been signed by the investor, and 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 as a result of the above.
- By making an application for units in a Fund the investor:
  - Agrees to be bound by the provisions of the PDS, this Additional Information booklet, the application form and the Fund's Constitution (which may be amended from time to time).
  - Acknowledges that Schroders reserves the right to refuse an application for units at its discretion.
  - Declares that the application was included in, or accompanied by, the current PDS and Additional Information booklet, which they have read.
  - Acknowledges that neither Schroders nor any other person guarantees the return of capital, or the performance of any Fund.
  - Acknowledges that telephone conversations with Schroders may be recorded.
  - Authorises Schroders to apply the Tax File Number or Australian Business Number quoted to all investments in the name of the investor.

- Authorises Schroders to collect, hold, use and disclose personal information about the investor in accordance with Schroders' Privacy Statement and the privacy statement in the Additional Information booklet, including direct marketing.
- Confirms that the investor is not a US citizen, that they are not resident in the US, and that they do not have an obligation to pay tax to the US tax authorities on their worldwide income.

## 3. Adviser/consultant and authorised signatories' terms and conditions

If the adviser/consultant/broker or authorised signatories section of the 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/broker 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/broker 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.

#### 4. 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. 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 Additional Information booklet and the relevant 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.

#### 5. Foreign Account Tax Compliance Act (FATCA) acknowledgement

Certain 'foreign financial institutions' (**FFIs**) are 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, at its sole discretion, compulsorily redeem units from an account to ensure that units are not acquired or held in violation of the 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.

#### 6. Common Reporting Standard (CRS)

Australian financial institutions (**AFIs**) are required to comply with the Common Reporting Standard (**CRS**). CRS provides a global standard for the collection of financial account information on account holders who are foreign tax residents. The Funds as AFIs must comply with the reporting requirements. As investors in the Funds, you are required to certify certain information about your tax residency status before we accept your application. Under CRS, we will be required to report details of foreign tax residents together with details of their investments to the Australian Taxation Office (**ATO**). The ATO may exchange financial account information with participating foreign jurisdictions.

You agree to provide all the necessary information and certifications required by Schroders to meet our obligations under CRS.

#### 1.7 Privacy

Schroders must comply with the Privacy Act and the Australian Privacy Principles (**APPs**). The Privacy Act and APPs generally regulate 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 may 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, broker 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/broker/dealer group's behalf such as external service suppliers who supply administrative, financial or other services to assist Schroders and/or the adviser/consultant/broker/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 that is available on the Schroders website [www.schroders.com.au](http://www.schroders.com.au). A copy of this Privacy Statement may be obtained free of charge upon request. 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.

## 1.8 Labour standards and environmental, social and ethical considerations

Schroders takes into account labour standards and environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments of the Funds.

At Schroders, we see ourselves as long-term stewards of our clients' capital, and this philosophy leads us to focus on the long-term prospects for the assets in which we invest. It is central to our investment process to analyse each investment's ability to create, sustain and protect value and to ensure that it can deliver returns in line with our clients' objectives.

We believe our responsibility includes focusing on protecting the interests of our clients from the impacts of financial and non-financial risks, including those relating to environmental, social and governance (ESG) factors. As such, ESG factors are integrated into our research and overall investment decisions across investment desks and asset classes. We recognise that different asset classes, portfolio strategies and investment universes require different lenses to most effectively strengthen decision making. Our integration approach spans the breadth of the investment process, from identifying trends, analysing securities and constructing portfolios, through to engagement, voting and reporting.

We have a dedicated Sustainable Investment team based in London, focused on integrating ESG considerations across investment desks and asset classes globally. Our local investment teams have access to this team to help incorporate ESG factors into their idea generation, analysis and forecasts. Our local teams can leverage the global Sustainable Investment team's research on emerging ESG trends which may highlight potentially significant valuation impacts on our investments.

Locally, our teams integrate ESG considerations across asset allocation and security decisions. We believe it is possible to actively embed ESG factors, focusing primarily on longer-term issues, into our assessments of company quality, its future revenue and in turn its value, which our analysts incorporate into their research.

In addition, we also reflect our overarching ESG beliefs across our portfolios in the way we construct and implement our investments. For example, Schroders may exclude certain securities on ethical and social considerations, such as cluster munitions, tobacco and nuclear weapons. A list of securities excluded having regard to these considerations can be viewed at [www.schroders.com.au](http://www.schroders.com.au).

Schroders is also an active member of a number of investor groups focused on promoting ESG and dealing with specific issues or industries, or with whom we collaborate on various industry initiatives. We became a signatory to the PRI Association (PRI), a leading promoter of responsible investment practices supported by the United Nations in 2007, and we maintain the highest rating for our Strategy & Governance approach to Responsible Investment.

Each of the Funds has been awarded the "integrated" internal Schroders accreditation, which means that sustainability is a building block where ESG factors are systematically integrated into the investment process and can be clearly evidenced. Each Fund has also been awarded the "screened" internal Schroders accreditation, which means that the Fund has additional stock/security restrictions beyond cluster munitions and antipersonnel mines. In addition, the Schroder Global Sustainable Equity Fund and the Schroder Global Sustainable Equity Fund (Hedged) have been awarded the "sustainable" internal Schroders accreditation, which indicates that sustainability is a cornerstone of the investment process for the Fund. Further information on sustainability at Schroders and how we integrate ESG globally can be found in our ESG Policy which is published on our website [www.schroders.com.au](http://www.schroders.com.au). A copy of this policy may be obtained free of charge upon request.

## 2. Significant risks of investing in a Fund

### 2.1 About a Fund's risk level

We disclose the risk level of a Fund using the Standard Risk Measure, which is based on the estimated number of negative annual returns that the Fund may experience in any 20-year period. In other words, it is a measure of the expected variability of the return of the Fund. The Standard Risk Measure for a Fund, together with explanatory notes, can be found in our 'Standard Risk Measures' paper, which is available on our website [www.schroders.com.au](http://www.schroders.com.au) or which can be obtained free of charge by contacting Schroders.

### 2.2 Investment risks

As highlighted in the PDS, the significant factors that may affect the performance or value of your investment may include, but are not limited to the following risks. The particular risks applying to a Fund are set out in the PDS for that Fund.

#### 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 generally 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 that 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, changes in global economic conditions (e.g. growth and inflation) and pandemics or health crises.

#### 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 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 or a borrower does not meet its interest and/or principal payment obligations, 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.

Credit ratings are scales by which the future relative creditworthiness of a security is measured and express an opinion about the vulnerability of default. Credit ratings may be issued by an independent credit rating agency, or represent internal ratings prepared by Schroders. A change in a published credit rating can affect the price and liquidity of the security(ies) being re-rated.

Investors should not rely on credit ratings in making investment decisions or view them as assurances of credit quality or the likelihood of default.

#### Entity risk

An investment in any entity, such as a share or corporate bond in a company, is exposed to changes within that entity, or to its business environment. These events include changes to operations and/or management, changes to product distribution, legal action against the entity, 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 entity becomes insolvent, a Fund's right of recovery against the assets of the entity may rank lower than the secured creditors of the entity.

#### 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 by Schroders from time to time.

## 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.

### Over the counter (OTC) derivatives risk

Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments and may be more exposed to default and counterparty risks. This, in turn, may expose a Fund to the risk that a counterparty will not settle a contract, causing that Fund to suffer a loss.

In addition, the prices of such instruments may include a dealer mark-up that a Fund may pay as part of the purchase price.

The extent of counterparty risk for OTC instruments depends on whether it is traded and settled between two counterparties or cleared through a Central Counterparty Clearing house (**CCP**) or clearing broker. Those trades not cleared through a CCP are exposed to the risk that a counterparty will not settle a contract resulting in a loss to the Fund. This risk is mitigated to the extent that collateral is transferred or pledged in favour of the Fund and available to cover any potential default.

For OTC instruments that are centrally cleared, the counterparty risk is primarily borne by the CCP as the CCP performs both the clearing and settlement function. Counterparty risk to the CCP or clearing broker is mitigated to the extent that collateral is exchanged and held by the CCP. There is a risk of loss by a Fund of its collateral in the event of default of the clearing broker or CCP.

## 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 smaller or microcap company shares, high yield and 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 that Fund need to be sold to fund withdrawals. Loan assets which some Funds may have exposure to are classified as illiquid investments under the Corporations Act.

If a situation occurs where the liquidity of assets in a Fund reduces to the point where they are no longer able to be readily bought and sold, for example due to adverse market conditions, there is a risk that the generally applicable timeframe for meeting withdrawal requests for the Fund may not be able to be met. In this case, withdrawals from the Fund may take significantly longer and/or the transaction costs associated with the withdrawal may be higher.

The maximum timeframe in which a withdrawal request may be processed is set out in the Constitution for each Fund. Where a Fund is not liquid (as defined in the Corporations Act), you may only withdraw when we make an offer to withdraw to all unitholders, as required by the Corporations Act.

## Counterparty risk

A Fund may conduct transactions through or with brokers, clearing houses, market counterparties and other agents and counterparty risk may arise from those transactions. It also may arise from 'over the counter' transactions involving derivatives. Each Fund is also, to a certain extent, reliant on external services providers, such as the registrar and the custodian, to provide services in connection with the operation of the Fund and its investment activities.

There is a risk that these counterparties fail to meet their contractual obligations resulting in loss of capital to a Fund. There is also a risk that external service providers may default on the performance of their obligations or seek to terminate these arrangements resulting in the Fund having to seek an alternative service provider meaning that investment activities and other functions of the Fund may be affected.

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 responsible entity's ability to execute its investment strategies. Such initiatives may affect 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.

## Pricing risk

While assets in a Fund are priced by us using independent pricing sources, there may be circumstances in which it is difficult for the fair value of assets to be determined, for example, where that Fund holds securities that have been suspended or are not traded on a recognised stock exchange, or that Fund holds difficult-to-value assets like loans or other assets that are not regularly or easily traded. In these circumstances, there is a risk that the valuation of the security or asset may not accurately reflect its true value or what could be realised in an orderly sale of that security or asset.

## Conflicts of interest risk

A conflict of interest arises when two parties may have competing interests, and this may cause Schroders or one of its agents or service providers to not act in the best interests of investors or a conflict may arise between various unitholders. Schroders maintains a conflicts of interest policy to ensure that all conflicts of interest (actual or perceived) are identified and appropriately managed.

## Cyber security risk

Unitholder details as well as each Fund's holdings are held electronically. There is a risk of financial loss, disruption or damage from either internal or external, accidental or malicious conduct targeting either Schroders or any of Schroders' agents or service providers resulting in unauthorised access to digital systems, networks or devices for the purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption.

## 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 that Fund, income or capital gains accrued in that Fund, the deduction of management costs, and the impact of investments into and withdrawals out of that Fund by other investors;
- investments into and withdrawals out of a Fund by other investors may also affect the taxable income distributed to an investor during a financial year as those cash flows trigger asset purchases and sales;
- the costs of your investment may increase through an increase in fees and costs. If management fee changes occur, we will provide at least 30 days' prior written notice of any such 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

#### Additional explanation of fees and costs

The investment returns of a Fund will be impacted by the fees and expenses incurred. The formula below broadly outlines the fees and costs associated with your investment in a Fund. Further information on how these fees and costs are calculated is set out below in this section 3.

Total fees and costs = management fees and costs (comprised of the management fee, indirect costs and expense recoveries (if incurred)) + performance fee (if applicable) + transaction costs + buy-sell spread

The fees and costs of each Fund are set out in each individual PDS for the relevant Fund in the 'Fees and costs' section.

All estimates of fees in the relevant PDS are based on information as at the date of the relevant PDS (with the exception of performance fees which are calculated using an average of the previous 5 years) and reflect the typical ongoing amounts for the current financial year. All costs reflect the actual amount incurred for the previous financial year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was not available at the date of the relevant PDS.

Investors in the Funds typically will not bear any establishment fees, contribution fees, withdrawal fees, exit fees or switching fees.

#### MANAGEMENT FEES AND COSTS

Management fees and costs include the amounts payable for administering a Fund, amounts paid for investing in the assets of a Fund and other expenses and reimbursements in relation to a Fund and investments.

The management fees and costs of a Fund will generally comprise of a management fee, indirect costs and any recoverable expenses (if incurred).

#### 1. Management fees (includes normal expenses)

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 these fees are calculated based on the NAV of that 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 on negotiated fees, see the 'Differential Fees' section below.

Schroders is entitled to separately recover expenses (such as fund accounting, unit registry, audit costs, postage and preparation of tax returns etc) from the assets of a Fund. 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.

Schroders has decided to pay normal expenses (including those incurred in the administration of the Fund) out of its management fee and will only be reimbursed out of the assets of a Fund where such expenses are abnormal expenses.

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

Each Fund's estimated and/or historical management fees may not be an accurate indicator of the actual management fees you may pay in the future. Details of any future changes to management fees will be provided on Schroders' website at [www.schroders.com.au](http://www.schroders.com.au) where they are not otherwise required to be disclosed to investors under law.

#### 2. Indirect costs

Indirect costs include any amount that we know or reasonably ought to know, or where this is not the case, may reasonably estimate has reduced or will reduce (as applicable), whether directly or indirectly the return of a Fund, or the amount or value of the income of, or property attributable to, a Fund or an interposed vehicle (including an underlying fund) in which that Fund invests.

The management fees and costs figure disclosed in the fees and costs summary of each Fund's PDS includes the estimated indirect costs of each Fund, which is the amount actually incurred by each Fund for the previous financial year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of the relevant PDS. These indirect costs are reflected in the unit price of your investment in the relevant Fund and include any underlying (indirect) management fees and costs and other indirect costs. The indirect costs may vary from year to year, including to the extent that they rely on estimates.

These indirect costs include:

- **Indirect management fees and costs (for any underlying funds):** Managers in underlying funds will typically charge management fees and these fees are deducted from the underlying funds and the impact is included as part of their unit price. Where the underlying fund manager is a wholly-owned member of the Schroders Group, Schroders will typically implement an arrangement to offset any fees payable to that wholly-owned group entity so that they are not an additional cost to you. Management fees paid to external managers (including managers related to, but not wholly owned by, the Schroders Group) will be an indirect cost to you.
- **Other indirect costs:** In managing the assets of a Fund, Schroders may engage in trading activity in certain types of derivative financial products or mortgage securities that are either not traded or listed on a recognised exchange and/or not used for hedging purposes but rather to gain or reduce market exposure (e.g. derivatives such as forwards, over-the-counter (OTC) options and swap arrangements). Engaging in trade activity of these types of products may give rise to other indirect costs.

Each Fund's estimated and/or historical indirect costs may not be an accurate indicator of the actual indirect costs you may pay in the future. Details of any future changes to indirect costs will be provided by Schroders' website at [www.schroders.com.au](http://www.schroders.com.au) where they are not otherwise required to be disclosed to investors under law.

### 3. Expense recoveries

#### Normal expense recoveries

Schroders is entitled to separately recover expenses (such as fund accounting, unit registry, audit costs, postage and preparation of tax returns etc) from the assets of a Fund. 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.

As at the date of this Additional Information booklet, Schroders has decided to pay normal expenses (including those incurred in the administration of the Fund) out of its management fee.

#### Abnormal expense recoveries

Schroders may also 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. In circumstances where such events do occur, we may decide not to recover these from a Fund.

The management fees and costs figure disclosed in the fees and costs summary of each Fund's PDS includes the estimated abnormal expense recoveries of each Fund, which is the amount actually incurred by each Fund for the previous financial year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of the relevant PDS.

## PERFORMANCE FEES

### 1. Schroders Equity Opportunities Fund

Schroders is entitled to recover performance fees from the Schroder Equity Opportunities Fund. The performance fee is reflected in the daily unit price and paid annually (**Payment Date**) at a rate of 15.4% (inclusive of GST less any RITC entitlement), of the gross outperformance above 2% p.a. before fees over the S&P/ASX 300 Accumulation Index (**Index**) (**Benchmark**).

Full details of how the performance fee is calculated are set out in the Constitution of the Schroder Equity Opportunities Fund.

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 performance fee is carried over into the next performance fee period. Furthermore any negative performance fee will be reduced pro-rata by the percentage of any net outflow from the Schroder Equity Opportunities Fund.

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 an example of when a performance fee<sup>1</sup> may be accrued and payable for the Schroder Equity Opportunities Fund.

Daily performance fee accrual example calculated over 4 days	
Daily performance <sup>2,3</sup>	Accrual based on balance of \$50,000
<b>Day 1</b> The Fund underperforms the Benchmark (before fees) for the day by 0.1%.	A negative daily performance fee is accrued <sup>4</sup> for the day of: $15.4\% \times -0.1\% \times \$50,000 = -\$7.70$
<b>Day 2</b> The Fund outperforms the Benchmark (before fees) for the day by 0.05%.	The negative daily performance fee from Day 1 is carried forward to Day 2. A positive daily performance fee is accrued for the day of: $15.4\% \times 0.05\% \times \$50,000 = \$3.85$ The aggregate daily performance fee is $-\$7.70 + \$3.85 = -\$3.85$ .
<b>Day 3</b> The Fund outperforms the Benchmark (before fees) for the day by 0.1%.	The negative aggregate daily performance fee from Day 2 is carried forward to Day 3. A positive daily performance fee is accrued for the day of: $15.4\% \times 0.1\% \times \$50,000 = \$7.70$ The aggregate daily performance fee is $-\$3.85 + \$7.70 = \$3.85$ .
<b>Day 4</b> The Fund outperforms the Benchmark (before fees) for the day by 0.05%.	The positive aggregate daily performance fee from Day 3 is carried forward to Day 4. A positive daily performance fee is accrued for the day of: $15.4\% \times 0.05\% \times \$50,000 = \$3.85$ The aggregate daily performance fee is $\$3.85 + \$3.85 = \$7.70$ .

## Payment of performance fee on Payment Date

### Aggregate daily performance fee on the Payment Date

### Outcome

If the aggregate daily performance fee on the Payment Date is a positive amount.

The positive amount is payable to the Responsible Entity.

If the aggregate daily performance fee on the Payment Date is a negative amount.

No performance fee will be payable to the Responsible Entity for the period.

The aggregate daily performance fee will be carried over to the next period and will reduce the daily performance fee for the first day of the next period.

<sup>1</sup>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 the Fund will be.

<sup>2</sup>For illustrative purposes Schroders has provided examples of daily underperformance/outperformance of 0.05% or 0.1% across four days. 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 or not to invest in the Fund.

<sup>3</sup>This simplified example assumes that the Fund does not experience any net outflows on the relevant days. Where there is a net outflow on a day where the aggregate daily performance fee is negative, the aggregate daily performance fee will be adjusted in accordance with the Constitution and as described in this Additional Information booklet.

<sup>4</sup>Any negative performance fee will be subtracted from the performance fee accrual and will offset against any positive performance fee accrual or entitlement to future performance fees, however any negative aggregate daily performance fee will not be accrued in the unit price.

The example performance fees in the table above are not a forecast of the actual performance fees that may be payable in any particular financial year as the actual performance fee for the current and future financial years may differ. Schroders cannot guarantee any particular level of performance fees will be payable or that the performance of the Fund will outperform the Benchmark.

It is not possible to disclose the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be. Schroders estimates that no performance fee will be payable for the Schroder Equity Opportunities Fund for the current financial year. Instead, in the case of the Wholesale Class of units, based on the average performance fee incurred for the previous 5 financial years, Schroders estimates that a negative performance fee will be recorded of -0.46% p.a. of the net asset value of the Fund, and in the case of the Professional Class of units, based on the average performance fee incurred for the previous 2 financial years (being all financial years in which it was in operation), Schroders estimates that a negative performance fee will be recorded of -1.21% of the net asset value of the Fund.

Investors should be aware that, despite the differences between these estimates, where the Schroder Equity Opportunities Fund accrues a negative performance fee or a positive performance fee the same proportionate fee will accrue to both the Wholesale Class and the Professional Class. In each case, the negative performance fee will be recorded and offset against any entitlement to future performance fees. Schroders does not have to reimburse the Fund for this negative dollar amount.

The performance fee is set out as a separate line item in the fees and costs summary in the PDS for the Fund.

## 2. Schroder Real Return CPI Plus 5% Fund, Schroder Global Sustainable Equity Fund (Hedged), Schroder Emerging Markets Sustainable Fund

Schroders does not currently charge a performance fee for any of the Funds covered by this Additional Information booklet other than the Schroder Equity Opportunities Fund.

However, Schroders is entitled to charge a performance fee under the constitutions of the Schroder Real Return CPI Plus 5% Fund, the Schroder Global Sustainable Equity Fund (Hedged), and the Schroder Emerging Markets Sustainable Fund. The maximum fees that Schroders is entitled to charge for each Fund is set out in the PDS for that Fund.

If Schroders determines to charge a performance fee for any of the Funds listed in the preceding paragraph in the future, we will provide you with at least 30 days' advance notice. The performance fee figure disclosed in the fees and costs summary of the PDSs for each of the Funds listed in the preceding paragraph is Schroders' reasonable estimate of the performance fee payable for that Fund, based on the average performance fee incurred by the Fund for the previous 5 financial years, which for each of those Funds is 0% p.a. of the NAV of the Fund as Schroders has not charged any performance fee in respect of those Funds in the past 5 financial years.

## 3. Performance fees charged by interposed vehicles

Schroders does not currently charge a performance fee for any of the Funds covered by this Additional Information booklet other than the Schroder Equity Opportunities Fund.

However, Schroders may, as responsible entity of each Fund, cause a Fund to invest in an interposed vehicle (such as an underlying fund) which charges a performance fee. Such fees, if charged, would reduce the value of the Fund's investment in the interposed vehicle, and in turn the net asset value of the Fund. As at the date of this Additional Information booklet, the Schroder Real Return CPI Plus 5% Fund and the Schroder Fixed Income Fund each invests in interposed vehicles (such as an underlying fund) which charge a performance fee.

Schroders' reasonable estimate of the performance fees charged by interposed vehicles, if applicable to a Fund, are based on:

- the average fee incurred for the previous five financial years; or
- if the interposed vehicle was not in operation for the past five financial years, the average fee incurred for all of the financial years in which the interposed vehicle was in operation; or
- if the interposed vehicle was first offered in the current financial year, Schroders' reasonable estimate of the fee for the current financial year adjusted to reflect a 12-month period.

It is not possible to disclose the actual performance fee payable in any given period, as we cannot forecast what the performance of an interposed vehicle will be. Past performance is not a reliable indicator of future performance.

If applicable, the performance fees charged by interposed vehicles in which a Fund invests is set out as a separate line item in the fees and costs summary in the PDS for the Fund. The table below sets out our Schroders' reasonable estimate of the performance fees charged by interposed vehicles in respect of the Funds that, as at the date of this PDS, invests in interposed vehicles which charge a performance fee, calculated in accordance with the methodology described above.

Fund	Estimated interposed vehicle performance fee
Schroder Real Return CPI Plus 5% Fund	0.01% p.a. of the NAV of the Fund
Schroder Fixed Income Fund	0.01% p.a. of the NAV of the Fund

## TRANSACTION COSTS

Transaction costs are the costs incurred when assets are bought and sold by the Fund and include brokerage, buy-sell spreads, settlement costs (including custody costs), clearing costs and stamp duty. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by a Fund and certain costs in relation to derivative financial products.

Transaction costs are reflected in the relevant Fund's unit price. As these costs are factored into the asset value of the relevant Fund's assets and reflected in the unit price, they are an additional cost to you and are not a fee paid to Schroders as the responsible entity. The impact of transaction costs can be offset in part by the buy/sell spread charged by Schroders to transacting members. These costs can arise as a result of bid-offer spreads being applied by trading counterparties to securities traded by the relevant Fund.

The transaction costs disclosed in the PDS of each Fund are shown net of any amount recovered by the buy-sell spread charged by Schroders.

The estimated transaction costs figure disclosed in the fees and costs summary of each Fund's PDS reflect the amount actually incurred by the Fund for the previous financial year, including Schroders reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of the relevant PDS.

The table on page 21 below sets out, for each Fund, the total gross transaction costs, the amount recovered through the buy/sell spread, and the net transaction costs after buy/sell spread recoveries (or an estimate if the amount is not known for each Fund).

Each Fund's estimated and/or historical transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future. Details of any future changes to transaction costs will be provided by Schroders' website at [www.schroders.com.au](http://www.schroders.com.au) where they are not otherwise required to be disclosed to investors under law.

## Buy/sell spreads

A buy/sell spread is an amount deducted from the value of a unitholder's application money or redemption proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or redemption.

Applicants and redeeming unitholders in a Fund will be charged a 'buy spread' and a 'sell spread' which will be used by Schroders to recover the transaction costs arising as a result of the applications and redemptions from a Fund. The buy/sell spread is an additional cost to you and is additional to other costs you incur such as management fees and costs. The buy/sell spread is the same for all unit classes of a Fund.

An estimate of the buy/sell spread applicable to applications and redemptions from each Fund is set out in the fees and costs summary in the PDS of each Fund and in the table on page 20 below. In estimating the buy-sell spread, Schroders has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for Schroders to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations.

The buy/sell spread is based on the transaction value. For example, if you made an application of \$50,000 into the Schroder Emerging Markets Sustainable Fund which as at the date of this Additional Information booklet has a buy spread of 0.30% on application, you would pay \$150 (\$50,000 x 0.30%). This amount is retained by the Fund to cover certain transaction costs.

The buy/sell spread is not a service fee charged by Schroders and it 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.

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](http://www.schroders.com.au).

The size of the buy/sell spread may, subject to law, be varied from time to time without prior notice, to ensure that non-transacting investors are not adversely affected 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.

## Buy/sell spreads

Schroder Funds	Class of Fund	Estimated buy/sell spread range
<b>Australian Equities</b>		
Schroder Australian Equity Fund	Professional Class	0.20% to 0.25% on both application and withdrawal
Schroder Wholesale Australian Equity Fund	Wholesale Class	0.20% to 0.25% on both application and withdrawal
Schroder Equity Opportunities Fund	Professional Class	0.25% to 0.30% on both application and withdrawal
Schroder Equity Opportunities Fund	Wholesale Class	0.25% to 0.30% on both application and withdrawal
<b>QEP Global Equities</b>		
Schroder Sustainable Global Core Fund	Wholesale Class	0.10% to 0.15% on both application and withdrawal
Schroder Global Value Fund	Wholesale Class	0.15% to 0.20% on both application and withdrawal
Schroder Global Value Fund (Hedged)	Wholesale Class	0.18% to 0.23% on both application and withdrawal
Schroder Global Sustainable Equity Fund	Wholesale Class	0.15% to 0.20% on both application and withdrawal
Schroder Global Sustainable Equity Fund (Hedged)	Wholesale Class	0.18% to 0.23% on both application and withdrawal
Schroder Emerging Markets Sustainable Fund	Wholesale Class	0.25% to 0.30% on both application and withdrawal
<b>Fixed Income</b>		
Schroder Fixed Income Fund	Professional Class	0.10% to 0.15% on both application and withdrawal
Schroder Fixed Income Fund	Wholesale Class	0.10% to 0.15% on both application and withdrawal
Schroder Absolute Return Income Fund	Professional Class	0.15% to 0.25% on both application and withdrawal
Schroder Absolute Return Income Fund	Wholesale Class	0.15% to 0.25% on both application and withdrawal
<b>Multi-Asset</b>		
Schroder Real Return CPI Plus 5%	Professional Class	0.15% to 0.25% on both application and withdrawal
Schroder Real Return CPI Plus 5%	Wholesale Class	0.15% to 0.25% on both application and withdrawal
Schroder Real Return CPI Plus 3.5%	Wholesale Class	0.13% to 0.18% on both application and withdrawal
Schroder Strategic Growth Fund	Professional Class	0.18% to 0.25% on both application and withdrawal
Schroder Strategic Growth Fund	Wholesale Class	0.18% to 0.25% on both application and withdrawal
<b>Regional and Overseas Equities</b>		
Schroder Asia Pacific Fund	Wholesale Class	0.20% to 0.25% on both application and withdrawal
Schroder Global Emerging Markets Fund	Wholesale Class	0.25% to 0.30% on both application and withdrawal
Schroder Global Recovery Fund	Professional Class	0.15% to 0.30% on both application and withdrawal
Schroder Global Recovery Fund	Wholesale Class	0.15% to 0.30% on both application and withdrawal

## Transaction costs

Schroder Funds	Total transaction costs as % of NAV*	Buy/sell spread recovery % NAV*	Net transaction costs as % of NAV*
<b>Australian Equities</b>			
Schroder Australian Equity Fund	0.09%	-0.09%	0.00%
Schroder Wholesale Australian Equity Fund	0.03%	-0.03%	0.00%
Schroder Equity Opportunities Fund	0.15%	-0.15%	0.00%
<b>QEP Global Equities</b>			
Schroder Sustainable Global Core Fund	0.08%	-0.08%	0.00%
Schroder Global Value Fund	0.23%	-0.11%	0.12%
Schroder Global Value Fund (Hedged)	0.27%	-0.10%	0.17%
Schroder Global Sustainable Equity Fund	0.13%	-0.08%	0.05%
Schroder Global Sustainable Equity Fund (Hedged)	0.29%	-0.16%	0.13%
Schroder Emerging Markets Sustainable Fund	0.24%	-0.08%	0.16%
<b>Fixed Income</b>			
Schroder Fixed Income Fund	0.11%	-0.05%	0.06%
Schroder Absolute Return Income Fund	0.06%	-0.10%	0.00%
<b>Multi-Asset</b>			
Schroder Real Return CPI Plus 5%	0.09%	-0.09%	0.00%
Schroder Real Return CPI Plus 3.5%	0.10%	-0.09%	0.01%
Schroder Strategic Growth Fund	0.09%	-0.06%	0.03%
<b>Regional and Overseas Equities</b>			
Schroder Asia Pacific Fund	0.08%	-0.08%	0.00%
Schroder Global Emerging Markets Fund	0.11%	-0.04%	0.07%
Schroder Global Recovery Fund	0.45%	-0.14%	0.31%

\*All estimates of the transaction costs (including the buy-sell spread recovery) are based on information as at the date of this 'Additional Information to the PDS' booklet. The transaction costs reflect the actual amounts incurred for the previous financial year, including Schroders' reasonable estimates where information was not available at the date of this 'Additional Information to the PDS' booklet.

You can determine the dollar value of these costs over a 1-year period by multiplying the transaction cost rate with your average account balance. For example, the value of transaction costs on an average account balance of \$50,000 invested in the Schroder Emerging Markets Sustainable Fund is \$80 (being approximately 0.16% p.a.). However, such costs for future years may differ. Details of any future changes to such costs will be provided on Schroders' website at [www.schroders.com.au](http://www.schroders.com.au) where they are not otherwise required to be disclosed to investors under law.

### Taxation of the Fund

Each Fund may be subject to tax. Each Fund will pass on the benefit of any tax deduction that it may receive in the form of returns to investors.

Please refer to section 4 of this Additional Information booklet for general information about the potential tax impact for investors of an investment in a Fund.

### 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 platform 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 affect a Fund. Schroders will negotiate the amount of the Product Access Payment with each platform operator.

Subject to law, Schroders may also make Fund Manager Payments (rebates) to platform 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 affect 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 a wholly-owned member of the Schroders Group, any management fee or performance related fee payable to that wholly-owned group entity will be offset by Schroders with an appropriate rebate (however fees payable to external managers and managers related to, but not wholly owned by, the Schroders Group will still typically be borne by the Fund). In addition, these investments may incur statutory charges and expenses. See above under 'Indirect costs' in relation to how management fees and costs in relation to underlying funds are accounted for and disclosed in the PDS and this Additional Information booklet. Indirect investors accessing a Fund through a platform may incur additional fees and costs. As well as reading this Additional Information booklet and the PDS, indirect investors should read their platform operator's offer document, which explains the fees payable by the indirect investor to the platform operator.

### Financial adviser fees

Additional fees may be paid to a financial adviser if you have consulted a financial adviser.

You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

### Changing the fees

Schroders may change the amount of any fees in the PDS (including increasing fees up to the maximums set out in the Constitution) without your consent. If we increase the fees we will give you 30 days' advance notice.

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 advance 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.

### 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. No establishment fees are currently charged.

### 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. No withdrawal fees are currently charged.

## Differential fees

We may charge, rebate or waive certain fees for wholesale clients (as defined under the Corporations Act) based on individual negotiation between us and that wholesale client. For further information wholesale clients can contact Schroders at the address specified in the 'Contacting Schroders' section.

## 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

The following comments apply to any Fund that is not an AMIT in a given year.

It is intended that Schroders, in its capacity as the responsible entity of a Fund, will not be liable to pay Australian income tax. 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.

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 of the Fund may include capital gains. This will need to be taken into account by unitholders in calculating their net capital gain for a year. Unitholders may also be entitled to claim their share of any franking credits and foreign tax offset 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 made in a subsequent year, 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 CGT cost base in their units in a Fund, which will affect the calculation of any gain or loss on the ultimate disposal of their units. If the CGT 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.

CGT concession amounts paid by the Fund will not reduce the CGT cost base of the units held by investors.

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.

### AMIT regime

Under the taxation regime for managed investment trusts that qualify as an 'Attribution Managed Investment Trust' (**the AMIT Rules**) each Fund can make an election to apply the AMIT Rules subject to the Fund meeting the eligibility criteria. Schroders has assessed that each Fund qualifies as an AMIT and has made an election to apply the AMIT Rules to each Fund.

Under the AMIT Rules, a Fund will be deemed to be a 'fixed trust' for taxation law purposes and can rely on specific legislative provisions to carry forward prior year taxable income adjustments (known as unders or overs) to subsequent years. In addition, a Fund's taxable income will be 'attributed' to investors.

Australian resident investors will be subject to tax on the income of a Fund which is 'attributed' to them under the AMIT Rules. The amount attributed to investors (and where relevant, its components) will be advised in an AMIT Member Annual Statement (**AMMA Statement**), similar to the annual tax statement that is currently provided to investors.

Under the AMIT Rules, an investor is entitled to increase the cost base of their units in a Fund if a Fund attributes amounts to the investor which are taxable or which are of a nature that would not deplete the cost base of the unit under the current law (such as CGT discount). Conversely, the payment of a cash distribution and attribution of tax offsets will reduce the cost base.

Investors who do not believe that the attribution of taxable income has been worked out on a fair and reasonable basis in accordance with the Fund's constitution can substitute the responsible entity's determination with their own. If you decide to take this course, it is important that you obtain professional tax and legal advice. You are required to contact Schroders in addition to notifying the Commissioner of Taxation.

### 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 reduced input tax credits (**RITCs**) in respect of that GST.

Under the GST regulations, 'recognised trust schemes' (which include the Funds) will be eligible for a RITC of 55% of the GST paid on the acquisition of certain services (for example, audit fees), while an RITC of 75% applies for all other services.

Schroders advises that all fees and costs disclosed in each PDS and this Additional Information booklet are inclusive of GST, net of RITC and have been calculated on a reasonable estimate of the RITC that 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..

### Tax File Number

Australian resident investors may choose to provide a Tax File Number or an Australian Business Number (if investing in the course of an enterprise). If neither is quoted and no relevant exemption is provided, we are required to withhold tax from income distributions at the highest marginal tax rate plus the Medicare levy (currently 47%).

## 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 paid by Schroders out of the management fee we receive which is described in the PDS for each Fund.

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, including by investing the assets of a Fund into other funds or mandates managed by us or by other members of the Schroders Group, and such arrangements will be based on arm's length commercial terms or as otherwise permissible under the law. Where a Fund invests in an underlying fund that is managed by a wholly-owned member of the Schroders Group, Schroders will typically implement an arrangement to offset any fees payable to that wholly-owned group entity so that they are not an additional cost to you.

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 conflicts 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.

### Consents

The following parties have given written consent, which has not been withdrawn at the date of this Additional Information booklet, to being named, in the form and context in which they are named, in each PDS and this Additional Information booklet:

- Link Market Services Limited (**Link**) as unit registrar for each Fund; and
- JPMorgan as custodian of each Fund.

Link and JPMorgan were not involved in the preparation and distribution of any PDS or this Additional Information booklet and are not responsible for the issue of, nor any particular part, of any PDS or the Additional Information booklet.

## Warning statement for New Zealand investors

If you are a New Zealand investor we are required to provide the following warning statement to you under New Zealand law.

### Warning Statement

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

### Currency exchange risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## 6. Glossary

\$	means Australian dollars.
<b>Absolute Return</b>	means the return that an asset or strategy achieves over a period of time without reference to any other measure or benchmark.
<b>ADI</b>	means an Authorised Deposit-taking Institution.
<b>AML/CTF Law</b>	means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth) and relevant rules and regulations, as amended from time to time.
<b>ASIC</b>	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.
<b>ASX</b>	means, as the context requires, ASX Limited or the financial market that it operates.
<b>Business Day</b>	means any day excluding a Saturday or Sunday on which banks are open for business in Sydney.
<b>Constitution</b>	means the constitution of the relevant Fund as amended or replaced from time to time.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended from time to time.
<b>Dealing Day</b>	means a Business Day that has not been designated a 'non-dealing day' in accordance with section 1.5.
<b>Emerging Markets</b>	means developing countries around the world that 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.
<b>ESG Policy</b>	means the policy relating to environmental, social and governance factors applied by Schroders to the relevant Fund.
<b>FATCA</b>	means the Foreign Account Tax Compliance Act enacted by the United States that imposes obligations including the collection and reporting of certain information about US and US-owned investors to the US tax authorities.
<b>Frontier Markets</b>	means frontier countries that are defined by, but not limited to, the MSCI Frontier Markets Index.
<b>Fund</b>	means the relevant fund as set out in the table on pages 2 and 3 of this Additional Information booklet, which are registered managed investment schemes under the Corporations Act.
<b>Growth</b>	means Growth investing, which is a style of investing that focuses on stocks exhibiting strong earnings expansion and high profit expectations, regardless of their valuation.
<b>GST</b>	means any goods and services tax, consumption tax, value-added tax or similar impost or duty that is or may be levied or becomes payable in connection with the supply of goods or services.
<b>IDPS</b>	means Investor Directed Portfolio Services.
<b>Market Capitalisation</b>	means the total market value of the issued shares of a publicly traded company.
<b>mFund</b>	means the mFund Settlement Service offered by ASX.
<b>NAV or Net Asset Value</b>	means the total assets minus the total liabilities of the relevant Fund, units or portfolio in question, as determined in accordance with the Constitution.
<b>Privacy Act</b>	means the <i>Privacy Act 1988</i> (Cth) as amended from time to time.
<b>QEP</b>	means Schroders' Quantitative Equities Products investment team.
<b>Quality</b>	means Quality investing, which is a style of investing that seeks to focus on quality companies with stable growth that are financially strong.
<b>Responsible Entity</b>	has the meaning defined in the Corporations Act. The responsible entity of the Fund is Schroder Investment Management Australia Limited.
<b>RITC</b>	means a 'reduced input tax credit' as defined in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) as amended from time to time.
<b>Value</b>	means Value investing, which is a style of investing that 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**

Level 20, Angel Place  
123 Pitt Street  
Sydney NSW 2000

### **Schroders unit registry**

C/o Link Market Services  
PO Box 3721  
Rhodes NSW 2138

### **Website**

[www.schroders.com.au](http://www.schroders.com.au)

### **Email**

[info.au@schroders.com](mailto:info.au@schroders.com)

### **Client services telephone**

(+61) 1300 136 471

### **General enquiries telephone**

(+612) 9210 9200

### **Applications/withdrawals**

Attention: Schroders Unit Registry  
C/o Link Market Services  
Fax: (+612) 9287 0369  
Email: [schroders@linkmarketservices.com.au](mailto:schroders@linkmarketservices.com.au)