



Schroders

Schroder Wholesale Series Product Disclosure Statement

Dated 1 February 2011



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Schroder Investment Management Australia Limited
ABN 22 000 443 274 Australian Financial Services Licence 226473

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Important notes

This Product Disclosure Statement (PDS) provides information on the range of Schroder funds ('Funds') available through platforms or via direct investment on the application form provided in this PDS.

You should read this PDS in its entirety before making a decision to invest. This PDS describes the main features of the Funds listed in the table here:

	Fund	ARSN	APIR	Beneficiary lodgement code*
1	Schroder Wholesale Australian Equity Fund	100 857 823	SCH0101AU	WAE
2	Schroder Australian Smaller Companies Fund	128 708 476	SCH0036AU	ASC
3	Schroder Global Emerging Markets Fund	121 251 410	SCH0034AU	GEM
4	Schroder Asia Pacific Fund	092 337 936	SCH0006AU	APF
5	Schroder Global Smaller Companies Fund	092 338 102	SCH0008AU	GSC
6	Schroder Global Active Value Fund	114 292 009	SCH0030AU	GAV
7	Schroder Global Active Value Fund (Hedged)	115 597 272	SCH0032AU	GVH
8	Schroder Global Quality Fund	136 599 409	SCH0041AU	GQF
9	Schroder Global Dynamic Blend Fund	136 596 257	SCH0040AU	GDB
10	Schroder Global Dynamic Blend Fund (Hedged)	146 945 137	SCH0051AU	GDH
11	Schroder Balanced Fund	092 337 203	SCH0102AU	SBF
12	Schroder Fixed Income Fund	089 952 849	SCH0028AU	FIF
13	Schroder Credit Securities Fund	092 060 172	SCH0103AU	HSF
14	Schroder Real Return Fund Wholesale Class	132 446 103	SCH0047AU	RRW

* The beneficiary lodgement code should be referenced on any cheque or electronic funds transfer accompanying an application to invest.

An investment in any of the Funds made on the basis of this PDS is an investment in the relevant Fund's units. Under the terms of the Constitutions of the Funds, investors in units of a Fund have an interest in all assets of the relevant Fund, which may be used to meet all liabilities arising in respect of that Fund.

References to "Schroders", "our", "us" or "we" throughout this PDS are references to Schroder Investment Management Australia Limited ABN 22 000 443 274 in its capacity as the Responsible Entity and product issuer for the Funds. References to "Schroders Group" are to Schroders plc and its subsidiaries.

Neither Schroders, nor any company in the Schroders Group promises that you will earn any return on your investment or that your investment will gain, or retain its value. No Schroders Group company, other than us, makes any statement or representation in this document. The information contained in this PDS is general information only and does not take into account your objectives, financial situation or needs. Before acting on the information contained in this PDS you should consider the appropriateness of the information in this PDS having regard to your objectives, financial situation and needs.

Indirect investors, such as those investing through Investor Directed Portfolio Services (IDPS), also known as master funds or wrap accounts, should read the information contained under the heading 'Investing through an intermediate investment operator' on page 41.

The offer of units in the Funds is available to persons receiving a copy, electronic or otherwise, of this PDS within Australia or New Zealand. New Zealand investors should read the section 'Important additional information for New Zealand investors' on page 42.

All references to dollars are in Australian dollars. Capitalised terms in this PDS are defined terms and they are listed in the Glossary section on page 46 or defined elsewhere in the PDS. Days are calendar days unless otherwise specified as Business Days.

RBC Dexia Investor Services Trust is responsible for the unit registry services of the Funds. RBC Dexia Investor Services Trust has no supervisory role in relation to the operation of the Funds and has no liability or responsibility to Unitholders for any act done or omission made in accordance with the agreement. RBC Dexia Investor Services Trust was not involved in preparing, nor takes any responsibility for, this PDS and RBC Dexia Investor Services Trust makes no guarantee of the success of the Funds nor the repayment of capital or any particular rate of capital or income return. RBC Dexia Investor Services Trust has given its written consent to being named as the unit registry services provider in this PDS.

J.P. Morgan Bank, N.A. has given its written consent to being named as custodian and administrator of the Funds in this PDS, and has not withdrawn such consent prior to the issue of this PDS. J.P. Morgan Bank, N.A. otherwise takes no responsibility for the content of this PDS.

This PDS was issued on 1 February 2011.

About Schroders

Schroder Investment Management Australia Limited
ABN 22 000 443 274 Australian Financial Services Licence 226473

The Schroders Group is one of the largest and most internationally diverse independent investment managers providing investment management, research and marketing services from offices located in 25 countries.

About Schroders

Schroders offers a range of investment products and is part of the Schroders Group which as at 30 September 2010 managed investment assets of approximately A\$295.4 billion worldwide. The Schroders Group is one of the largest and most internationally diverse independent investment managers providing investment management, research and marketing services from offices located in 25 countries. While many financial institutions try to provide all things to their clients, we specialise in just one – pure investment management.

In Australia, Schroders is a wholly owned subsidiary of Schroders plc, a publicly listed UK company descending from a group that can trace its origins in banking and finance back over 200 years. Financial services has been a core business for Schroders in Australia since 1961 and we now manage A\$23.4 billion as at 30 November 2010 across a broad range of asset classes.

Why Schroders?

- organisational stability from a strong balance sheet, low levels of debt and majority family and staff ownership
- independence and exclusive focus on asset management aligns our interests with our clients
- size and experience of investment teams both locally and globally
- commitment to in-house research
- global perspective
- disciplined and robust investment process

At a glance

Choice of Funds

Fund name	Schroder Wholesale Australian Equity Fund Schroder Australian Smaller Companies Fund Schroder Global Emerging Markets Fund Schroder Asia Pacific Fund Schroder Global Smaller Companies Fund Schroder Global Active Value Fund Schroder Global Active Value Fund (Hedged) Schroder Global Quality Fund Schroder Global Dynamic Blend Fund Schroder Global Dynamic Blend Fund (Hedged) Schroder Balanced Fund Schroder Fixed Income Fund Schroder Credit Securities Fund Schroder Real Return Fund Wholesale Class	Further information is outlined on pages 11 to 24
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Minimum¹ amounts per Fund

Initial investment	\$50,000	Further information is outlined in the section 'How to invest in the Funds?' on page 32 and 'How to withdraw from the Funds?' on page 35
Additional investment	\$5,000	
Withdrawal amount	\$5,000	
Minimum balance	\$50,000	

Fees and other costs

Fees when your money moves in or out of the Fund	Nil	Further information is outlined in the section 'Fees and other costs' on page 25
Management costs ²	0.50% pa to 1.40% pa (depending on the Fund) In the case of the Schroder Australian Smaller Companies Fund there is also a performance fee of 20.5% of net outperformance	
Transaction costs ³ ('buy/sell' spread)	0.05% to 0.60% per transaction (varies by Fund)	

Reporting and contact details

Reporting	Confirmation of application/withdrawal, periodic transaction statements, distribution summary, annual tax statement, fund and financial reports	Further information is outlined in the section 'Keeping you informed' on page 38
Application and withdrawals	Mail: Attention: Unit Registry Schroders c/- RBC Dexia Investor Services GPO Box 3332 Melbourne VIC 3001 Fax: +61 2 8262 5460	
Contact details	Website: www.schroders.com.au Telephone: Client Services: 1300 136 471 (9am-5pm EST) +61 2 9210 9421 from outside Australia (9am-5pm EST) Email: simal@schroders.com	Further information is outlined in the section 'Contacting Schroders' on page 43




¹ Minimum: Schroders has the discretion to waive these minimums.

² Management costs: This represents the management fee and performance fee, if any, charged by Schroders and is inclusive of Goods and Services Tax (GST) less any RITC entitlement, where applicable. Schroders may charge abnormal expense recoveries in addition to management costs, which covers abnormal expenses such as the cost of unitholder meetings. See the 'Fees and other costs' section on page 25 of this PDS for further details. Schroders may rebate or reduce the management fee at its discretion.

³ This is the buy/sell spread as at 1 February 2011. See the 'Fees and other costs' section on page 25 of this PDS for further details and visit www.schroders.com.au for details on the spreads currently applicable to any Funds.

Fund line up

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	1	2	3
			
	Schroder Wholesale Australian Equity Fund	Schroder Australian Smaller Companies Fund	Schroder Global Emerging Markets Fund
ARSN	100 857 823	128 708 476	121 251 410
APIR	SCH0101AU	SCH0036AU	SCH0034AU
Fund objective ¹	To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term by investing in a broad range of companies from Australia and New Zealand.	To outperform the S&P/ASX Small Ordinaries Accumulation Index after fees over the medium to long term by investing in a broad range of smaller companies from Australia and New Zealand.	To outperform the MSCI Emerging Markets Index (net dividends reinvested) after fees over 3-year rolling periods.
Inception date	1 July 2002	14 December 2007	25 October 2006
Investment category	Equities	Equities	Equities
Management style ²	Active	Active	Active
Management costs ³	0.92% pa	1.10% pa plus performance fee of 20.5% of net outperformance	1.40% pa
Buy/sell spread ⁴	0.30% on application and 0.30% on withdrawal	0.60% on application and 0.60% on withdrawal	0.50% on application and 0.50% on withdrawal
Distribution frequency	Normally twice yearly. Calculated on the last business day of June and December	Normally twice yearly. Calculated on the last business day of June and December	Normally twice yearly. Calculated on the last business day of June and December
Key risks (see pg 9 for explanation of these risks)	Fund risk Market risk Equities risk International investments risk Currency risk Company risk Derivatives risk	Fund risk Market risk Equities risk International investments risk Currency risk Company risk Derivatives risk Liquidity risk	Fund risk Market risk Equities risk International investments risk Currency risk Company risk Derivatives risk Emerging Markets risk

¹ Further information on the investment objective, strategy and benefits of each Fund are outlined in the 'Fund descriptions' section from pages 11 to 24.

² Active: This means that the investment adviser of the Fund regularly makes decisions about buying and selling investments of the Fund.

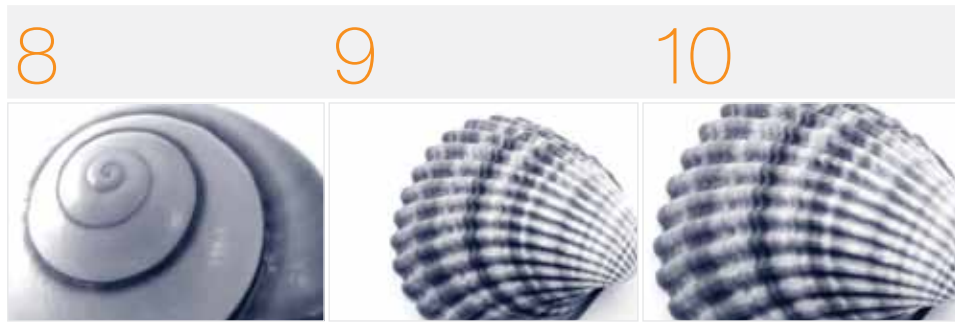
³ Management costs: This represents the management fee and performance fee, if any, charged by Schroders and is inclusive of Goods and Services Tax (GST) less any RITC entitlement, where applicable. Schroders may charge abnormal expense recoveries in addition to management costs, which covers abnormal expenses such as the cost of unitholder meetings. See the 'Fees and other costs' section on page 25 of this PDS for further details. Schroders may rebate or reduce the management fee at its discretion.

⁴ This is the buy/sell spread as at 1 February 2011. See the 'Fees and other costs' section on page 25 of this PDS for further details and visit www.schroders.com.au for details of the spreads currently applicable to our Funds.

4	5	6	7
			
Schroder Asia Pacific Fund	Schroder Global Smaller Companies Fund	Schroder Global Active Value Fund	Schroder Global Active Value Fund (Hedged)
092 337 936	092 338 102	114 292 009	115 597 272
SCH0006AU	SCH0008AU	SCH0030AU	SCH0032AU
To outperform the MSCI AC Asia ex-Japan Index after fees over the medium to long term.	To outperform the S&P Developed SmallCap World Index ex Australia after fees over the medium to long term.	To deliver higher long run returns after fees than traditional capitalisation weighted global equity funds by investing in a diversified portfolio of equity and equity related securities of companies worldwide excluding Australia using an index unconstrained Value-based investment strategy.	To deliver higher long run returns after fees than traditional capitalisation weighted global equity funds by investing in a diversified portfolio of equity and equity related securities of companies worldwide excluding Australia using an index unconstrained Value-based investment strategy. The impact of currency volatility arising from the underlying portfolio investments on Fund performance is minimised through currency hedges.
7 April 1995	28 October 1996	26 July 2005	1 September 2005
Equities	Equities	Equities	Equities
Active	Active	Active	Active
1.37% pa	1.25% pa	0.98% pa	0.98% pa
0.50% on application and 0.50% on withdrawal	0.50% on application and 0.50% on withdrawal	0.15% on application and 0.15% on withdrawal	0.18% on application and 0.18% on withdrawal
Normally twice yearly. Calculated on the last business day of June and December	Normally twice yearly. Calculated on the last business day of June and December	Normally twice yearly. Calculated on the last business day of June and December	Normally twice yearly. Calculated on the last business day of June and December
Fund risk Market risk Equities risk International investments risk Currency risk Company risk Derivatives risk Emerging Markets risk	Fund risk Market risk Equities risk International investments risk Currency risk Company risk Derivatives risk Liquidity risk	Fund risk Market risk Equities risk Equities risk International investments risk Currency risk Company risk Derivatives risk Emerging Markets risk	Fund risk Market risk Equities risk Equities risk International investments risk Currency risk Company risk Derivatives risk Emerging Markets risk

Fund line up

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	8 Schroder Global Quality Fund	9 Schroder Global Dynamic Blend Fund	10 Schroder Global Dynamic Blend Fund (Hedged)
ARSN	136 599 409	136 596 257	146 945 137
APIR	SCH0041AU	SCH0040AU	SCH0051AU
Fund objective ¹	To generate long-term returns after fees in excess of traditional capitalisation weighted global equity funds but with lower risk by investing in a diversified portfolio of equity and equity related securities of companies worldwide excluding Australia using an index unconstrained Quality-based investment strategy.	To outperform the MSCI World ex Australia Index (net dividends reinvested) after fees through an actively managed blend of our Global Value and Global Quality equity strategies. The strategy is implemented via a single portfolio of equity and equity related securities drawn from a large global pool of stocks excluding Australia.	To outperform the MSCI World ex Australia Index (net dividends reinvested) after fees through an actively managed blend of our Global Value and Global Quality equity strategies. The strategy is implemented via a single portfolio of equity and equity related securities drawn from a large global pool of stocks excluding Australia. The impact of currency volatility arising from the underlying portfolio investments on Fund performance is minimised through currency hedges.
Inception date	2 June 2009	8 December 2009	29 November 2010
Investment category	Equities	Equities	Equities
Management style ²	Active	Active	Active
Management costs ³	0.98% pa	1.08% pa	1.08% pa
Buy/sell spread ⁴	0.15% on application and 0.15% on withdrawal	0.15% on application and 0.15% on withdrawal	0.18% on application and 0.18% on withdrawal
Distribution frequency	Normally twice yearly. Calculated on the last business day of June and December	Normally twice yearly. Calculated on the last business day of June and December	Normally twice yearly. Calculated on the last business day of June and December
Key risks (see pg 9 for explanation of these risks)	Fund risk Market risk Equities risk International investments risk Currency risk Company risk Derivatives risk Emerging Markets risk	Fund risk Market risk Equities risk International investments risk Currency risk Company risk Derivatives risk Emerging Markets risk	Fund risk Market risk Equities risk International investments risk Currency risk Company risk Derivatives risk Emerging Markets risk

¹ Further information on the investment objective, strategy and benefits of each Fund are outlined in the 'Fund descriptions' section from pages 11 to 24.

² Active: This means that the investment adviser of the Fund regularly makes decisions about buying and selling investments of the Fund.

³ Management costs: This represents the management fee and performance fee, if any, charged by Schroders and is inclusive of Goods and Services Tax (GST) less any RITC entitlement, where applicable. Schroders may charge abnormal expense recoveries in addition to management costs, which covers abnormal expenses such as the cost of unitholder meetings. See the 'Fees and other costs' section on page 25 of this PDS for further details. Schroders may rebate or reduce the management fee at its discretion.

⁴ This is the buy/sell spread as at 1 February 2011. See the 'Fees and other costs' section on page 25 of this PDS for further details and visit www.schroders.com.au for details of the spreads currently applicable to our Funds.

11	12	13	14
			
Schroder Balanced Fund	Schroder Fixed Income Fund	Schroder Credit Securities Fund	Schroder Real Return Fund Wholesale Class
092 337 203	089 952 849	092 060 172	132 446 103
SCH0102AU	SCH0028AU	SCH0103AU	SCH0047AU
To deliver an investment return before fees of 5.0% pa above Australian inflation over the medium to long term. Inflation is defined as the RBA's Trimmed Mean, as published by the Australian Bureau of Statistics.	To obtain exposure to a diversified range of domestic and international fixed income securities with the principal aim of outperforming the UBS Composite Bond Index after fees over the medium term.	To outperform the RBA Cash Rate after fees and deliver income through investment in credit and debt securities with a focus on preserving investor capital.	To deliver an investment return of 5.0% pa before fees above Australian inflation over rolling 3 year periods. Inflation is defined as the RBA's Trimmed Mean, as published by the Australian Bureau of Statistics.
23 August 2002	25 February 2004	23 August 2002	1 July 2010
Balanced	Income	Income	Balanced
Active	Active	Active	Active
0.90% pa	0.50% pa	0.75% pa	0.90% pa
0.22% on application and 0.22% on withdrawal	0.05% on application and 0.05% on withdrawal	0.15% on application and 0.15% on withdrawal	0.20% on application and 0.20% on withdrawal
Normally twice yearly. Calculated on the last business day in June and December	Normally quarterly. Calculated on the last business day in March, June, September and December	Normally quarterly. Calculated on the last business day in March, June, September and December	Normally twice yearly. Calculated on the last business day in June and December
Fund risk Market risk Equities risk Fixed interest and debt securities risk International investments risk Currency risk Company risk Derivatives risk Liquidity risk Emerging Markets risk	Fund risk Market risk Fixed interest and debt securities risk International investments risk Currency risk Company risk Derivatives risk Liquidity risk	Fund risk Market risk Fixed interest and debt securities risk International investments risk Currency risk Company risk Derivatives risk Liquidity risk	Fund risk Market risk Equities risk Fixed interest and debt securities risk International investments risk Currency risk Company risk Derivatives risk Liquidity risk Emerging Markets risk

Risks of investing in the Funds

It is important to understand the risks associated with investing in the Funds. The nature of investment markets is such that the return on investment markets, as well as individual investments, can vary significantly and future returns are unpredictable. In the event that any of the risks described on the following pages eventuate then they may impact upon the value of a Fund's assets and hence unit prices and the extent to which a Fund is able to make distributions. Different types of investments perform differently at different times and have different risk characteristics and volatility.

The risks and therefore return on investments will be influenced by factors, including many outside the control of Schroders, such as domestic and international markets, economic conditions, political climates, interest rates and inflation. The higher the concentration of each Fund to the risk factors below, e.g. a Fund with a significant exposure to Emerging Markets or sub-investment grade debt, the greater the impact on the Fund value if a particular risk event was to occur.

What are the significant risks which may apply to a Fund?

The significant risks that may affect the performance or value of your investment vary by Fund and include:

Equities risk

Over the long 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.

Fixed interest and debt securities risk

The performance of fixed interest and debt securities will be sensitive to movements in domestic and international interest rates (e.g. increase in interest rates results in the capital value of fixed interest investments falling) and the ability of the counterparty to meet its obligations to pay interest and principal when due. 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 while investments in securities with a lower credit rating have a higher risk that the counterparty will be unable to meet their obligations when due.

International investments risk

International investments will give exposure to different (or potentially greater) risks that are not typically associated with investments in Australia. International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in foreign currency and interest rates, and more volatile, less liquid markets.

Specific risks associated with international investments include, but are not limited to, movements in exchange rates and the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital and changes in the relative values of the currencies in which the Fund's assets are denominated.

Emerging Markets

Risks associated with investments in Emerging 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, less government supervision and regulation of securities markets and participants in those markets and a higher degree of political uncertainty.

Currency risk

Units in each of the Funds are denominated in Australian dollars. However, investments in the underlying securities 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.

Company risk

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

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

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 in funds, however they can expose a fund to additional risks. These risks include the possibility that the derivative position is difficult or costly to reverse, that the value of the derivative does not move in line with the underlying physical position, or that the parties do not perform their obligations under the contract.

Liquidity risk

Fixed interest and debt securities generally have less liquidity than exchange traded equity products. However even within exchange traded securities, the level of liquidity can fluctuate especially for smaller company shares or microcap stocks and 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 need to be sold to fund withdrawals. Alternatively securities may take longer to sell in order to secure a reasonable price, extending the period required to fund withdrawals potentially resulting in Schroders staggering the withdrawal dates, where Schroders deems it to be in the best interest of unitholders and where permitted under the Fund's constitution.

Other general risks which apply to all Funds

Other general risks which apply to all Funds are as follows:

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 risks. For instance, cash investments have the lowest market risk whereas equities have higher market risks. The returns of individual securities in any asset sector would normally be determined by a combination of the market return and returns specific to each security.

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, and infrastructure change. These factors can affect both Australian and international markets.

Fund risk

The following risks are inherent in any managed fund:

- The investment team may change, which may affect a Fund's future performance.
- Investing in a Fund may result in a different outcome to investing directly because of the application of tax laws to the Fund, income or capital gains accrued in a Fund, the calculation of any performance fees and the impact of investments into and withdrawals out of a Fund by other investors.
- The costs of your investment may increase through an increase in fees and costs. If this occurs, we will provide at least 30 days prior written notice of any changes (see 'Changing the fees' in the 'Fees and other costs' section of the PDS).
- A Fund may be terminated.
- 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.

How Schroders seeks to manage risks

Schroders will seek to minimise risk through diversification of markets in which a Fund's assets are held and may undertake currency strategies such as hedging exposure against various currencies to limit the impact of exchange rate movements. Derivatives may also be used for purposes such as hedging and for the more efficient and cost effective implementation of investment strategies. Where derivatives are used, Schroders will ensure that, at all times, there are sufficient liquid funds to discharge its liabilities in relation to these investments. Schroders does not intend to leverage any of the Funds. Further information about derivatives and how Schroders uses derivatives can be found in the current Schroders Derivative Risk Statement, which can be provided at your request or obtained from the Schroders' website www.schroders.com.au

How investors can manage investment risk

Investors should consider their investment objectives, timeframe and risk tolerance before investing in a Fund. We recommend that investors obtain appropriate professional advice with regard to their individual circumstances prior to investing in a Fund.

1 Schroder Wholesale Australian Equity Fund

Investment objective

To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term by investing in a broad range of companies from Australia and New Zealand.

Key features

- *Focus on quality stocks* – companies with a sustainable competitive advantage are typically rewarded with superior returns in the long term.
- *Team structure and experience* – Schroders has over 40 years experience investing in Australian equities and is well resourced and highly experienced with 13 investment professionals having an average of 13 years experience. Analyst research is organised along sectoral lines with each analyst covering stocks through the capitalisation spectrum.*
- *Schroders' global network* – increasing globalisation of industries and markets means global research capabilities are vital when it comes to effective analysis of Australian equity investments. Schroders' local research team in Australia is complemented with detailed research and insights from its extensive global network comprising more than 330 fund managers and research professionals located in offices in 20 countries around the world.*

* As at 30 November 2010.

Risks

Please refer to the 'Fund line up' table on page 5 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

The core of Schroders' investment philosophy is that corporate value creation, or the ability to generate returns on capital higher than the cost of capital, leads to sustainable share price outperformance in the long term. The ability to generate superior returns is a function of industry dynamics and company competitive advantage.

The investment process is a combination of qualitative industry and company competitive position analysis and quantitative financial forecasts and valuations as follows:

Step 1: Stock filtering and coverage

We expect to maintain direct coverage of all stocks within the S&P/ASX 200 Index, as well as a significant number of eligible stocks within our universe that are not included in this index.

Step 2: Financial modelling

Companies are subject to detailed financial analysis using a standardised proprietary company financial model. The model consists of a detailed profit & loss statement, cash flow statement, balance sheet and forecast assumptions. Analysts also have the flexibility to add additional information they believe pertinent to any company. External meetings form an important part of the company assessment.

Step 3: Industry and business quality assessment

An assessment of current and future key industry drivers, the level of industry returns and company specific reasons for relative success within an industry are quantified into financial forecasts of sustainable margins and returns.

Step 4: Detailed company valuation

Companies within the investment universe are subject to a standardised 'sum of the parts' and/or discounted cash flow ("DCF") valuation methodology where financial statements are forecast forward three years to reach a mid-cycle or sustainable level of earnings, margins and returns. This determination of the mid-cycle or sustainable level is a function of the industry and business quality assessment.

Step 5: Business and financial risk assessment

We assess the sensitivity of a company's cash flows to key macro factors such as interest rates together with the impact of financial leverage and capture this information in our database. We believe that these factors are a key risk consideration when constructing a portfolio as opposed to only looking at returns based volatility measures (i.e. tracking error).

Step 6: Portfolio construction

Portfolio construction aims to maximise expected returns, whilst maintaining diversification and skewing the portfolio to high quality companies. Analysts take an active role in the consideration of portfolio inclusions, exclusions and relative weights with final positions the responsibility of the Portfolio Construction Committee.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au



2 Schroder Australian Smaller Companies Fund

Investment objective

To outperform the S&P/ASX Small Ordinaries Accumulation Index after fees over the medium to long term by investing in a broad range of smaller companies from Australia and New Zealand.

Key features

- *Focus on quality stocks* – companies with a sustainable competitive advantage are typically rewarded with superior returns in the long term.
- *Team structure and experience* – Schrodgers has over 30 years experience investing in smaller companies worldwide and the Australian equities team is well resourced and highly experienced with 13 investment professionals having an average of 13 years experience. Analyst research is organised along sectoral lines with each analyst covering stocks through the capitalisation spectrum.*
- *Potential for higher growth* – smaller companies often have higher prospects for growth relative to large companies, either due to the fact they are in the early stages of development or because they provide new services or technologies.
- *Active management* – smaller companies are generally under-researched, making it possible to obtain an information advantage through in-depth, fundamentally driven research.

* As at 30 November 2010.

Risks

Please refer to the 'Fund line up' table on page 5 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

The core of Schrodgers' investment philosophy is that corporate value creation, or the ability to generate returns on capital higher than the cost of capital, leads to sustainable share price outperformance in the long term. The ability to generate superior returns is a function of industry dynamics and company competitive advantage.

The investment process is a combination of qualitative industry and company competitive position analysis and quantitative financial forecasts and valuations as follows:

Step 1: Stock filtering and coverage

We expect to maintain direct coverage of the stocks within the S&P/ASX Small Ordinaries Index, as well as a significant number of eligible stocks within our universe that are not included in this index.

Step 2: Financial modelling

Companies are subject to detailed financial analysis using a standardised proprietary company financial model. The model consists of a detailed profit & loss statement, cash flow statement, balance sheet and forecast assumptions. Analysts also have the flexibility to add additional information they believe pertinent to any company. External meetings form an important part of the company assessment.

Step 3: Industry and business quality assessment

An assessment of current and future key industry drivers, the level of industry returns and company specific reasons for relative success within an industry is quantified into financial forecasts of sustainable margins and returns.

Step 4: Detailed company valuation

Companies within the investment universe are subject to a standardised 'sum of the parts' and/or discounted cash flow ("DCF") valuation methodology where financial statements are forecast forward three years to reach a mid-cycle or sustainable level of earnings, margins and returns. This determination of the mid-cycle or sustainable level is a function of the industry and business quality assessment.

Step 5: Business and financial risk assessment

We assess the sensitivity of a company's cash flows to key macro factors such as interest rates together with the impact of financial leverage and capture this information in our database. We believe that these factors are a key risk consideration when constructing a portfolio as opposed to only looking at returns based volatility measures (i.e. tracking error).

Step 6: Portfolio construction

Portfolio construction aims to maximise expected returns, whilst maintaining diversification and skewing the portfolio to high quality companies. Analysts take an active role in the consideration of portfolio inclusions, exclusions and relative weights with final positions the responsibility of the Portfolio Construction Committee.

Details about the latest performance and asset allocation for this Fund are available on www.schrodgers.com.au



3 Schroder Global Emerging Markets Fund

Investment objective

To outperform the MSCI Emerging Markets Index (net dividends reinvested) after fees over rolling 3 year periods.

Key features

- *Opportunities in developing countries around the world*, which are typically characterised by a stronger growth potential than mature economies, offering the opportunity for premium returns but with higher risk attached.
- *Diversification advantages* within a broad investment portfolio.
- *Experienced team* consisting of 34 investment professionals with an average of 13 years of investment experience.*
- *Disciplined process* targeting to add value equally from country allocation and stock selection. Active risk management throughout the process.
- *Strong proprietary stock research* database which provides our investment professionals with instant access by intranet to both internal and external research.

* As at 30 November 2010.

Risks

Please refer to the 'Fund line up' table on page 5 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

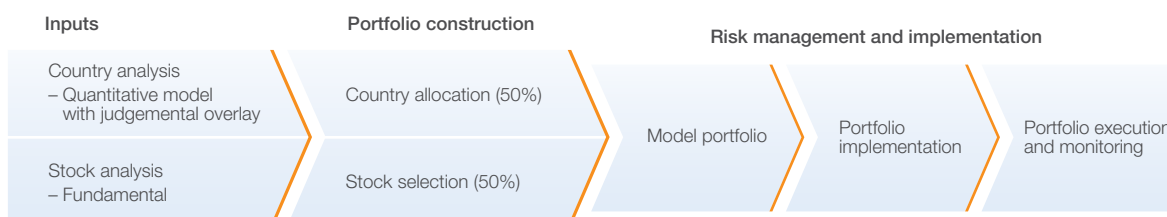
We believe that emerging stock markets are inefficient and provide strong potential for adding value through active fund management. This value can be extracted through both country and stock selection. We believe that it is inappropriate to apply a systematic style bias

across so many countries at such different stages of development. However, given our strong analytical resources we would expect to generally have a bias towards medium capitalisation stocks which should provide extra return potential. We believe that as fund managers we should manage both return and risk. Our aim is to achieve returns with the minimum level of risk through a pro-active approach to risk control. We believe that applying a systematic, disciplined approach, with a strong team culture increases our ability to add value.

Schroders has a balanced approach to investing in Emerging Market equities. We use a mix of top down analysis and bottom up stock selection and look to derive 50% of our added value from country selection and 50% from stock selection.

Our investment process begins with the gathering and analysis of information on both countries and stocks which is then used to decide allocations for the portfolio. Country allocation is driven by our proprietary quantitative model to which the team applies judgmental overlay in a controlled manner. Fundamental research from our team of locally based analysts forms the basis of the stock selection process and portfolios are constructed by our three global Emerging Market fund managers focusing on their highest conviction ideas. We believe that risk management is important in Emerging Markets and have active risk control processes in place at the portfolio construction stage, a sophisticated proprietary risk system and a comprehensive set of portfolio reviews.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au



4 Schroder Asia Pacific Fund

Investment objective

To outperform the MSCI AC Asia ex-Japan Index after fees over the medium to long term.

Key features

- *Strong regional investment presence* – recognising that diverse cultural and language barriers of the countries in the region require a strong local presence to enable successful investing.
- *Highly experienced professional investment team* – 33 investment professionals with an average of 14 years industry experience.*
- *Investing in quality businesses* with robust business models, good corporate governance and strong management teams to drive shareholder returns.

* As at 30 November 2010.

Risks

Please refer to the 'Fund line up' table on page 6 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

Schroders believes that equity markets are not fully efficient and that these inefficiencies are particularly exploitable in the Asian region because of:

- Insufficient research coverage of Asian companies.
- Inconsistencies in accounting standards and regulation.
- Insufficient understanding of market fundamentals.
- Capital flow restrictions.

Our investment teams exploit market inefficiencies through the application of extensive, rigorous and proprietary research aimed at identifying mispriced opportunities.

The investment process is summarised as follows:



Screen stock universe

Stock selection begins with the application of quantitative and qualitative screens to the entire stock universe to filter out stocks that are clearly inadmissible to the portfolio by virtue of liquidity, size constraints, weak business models or lack of corporate transparency.

Shareholder return classification

Bottom up stock research involves the classification of our universe of investable stocks into one of four categories, which attempt to define the growth prospects of the company.

Valuation and stock grading

After determining a fair value for each stock, analysts grade their stocks from 1 to 4 in their sector of coverage with a '1' grade reflecting a strong belief that the stock will outperform and a '4' grade a strong conviction that the stock will underperform.

Stock selection

A specialist portfolio management team selects the best stock candidates to outperform investment benchmarks primarily relying on internal research inputs and stock gradings from analysts.

Sector and country overlay

A risk control overlay in the final stage of portfolio construction considers top down macroeconomic, industry and political risk factors that may not have been explicitly taken into account during bottom-up analysis.

Model portfolio

Risk is monitored and actively managed with the use of Schroders' proprietary risk analysis and reporting tool – Portfolio Risk and Investment Strategy Manager.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au

5 Schroder Global Smaller Companies Fund



Investment objective

To outperform the S&P Developed SmallCap World Index ex Australia after fees over the medium to long term.

Key features

- Large team of 23 dedicated smaller companies analysts located regionally around the world combined with a small and experienced portfolio management team.*
- Robust investment process and risk management framework.
- Access to the global smaller companies markets which are difficult for individual investors to access directly.
- Financial strength of the Schroders Group, with over 30 years of investing in smaller companies worldwide.

* As at 30 November 2010.

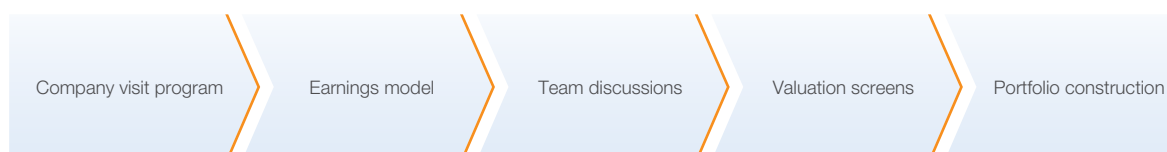
Risks

Please refer to the 'Fund line up' table on page 6 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

At the heart of the investment philosophy for the Fund is a belief that the identification of mispriced companies exhibiting superior characteristics of visible growth and sustainable returns is the key driver of excess returns. It also stems from the Schroders Group's belief that smaller companies remain generically under-researched, and that we can gain an information advantage through rigorous research consistently applied within a philosophical framework which is long term, fundamentally driven and research based. Stock selection is at the core of the global smaller companies process and the bulk of the resource and effort is devoted to it. This approach flows logically from this philosophical belief.

The investment process can be summarised in the following general stages:



Company visit program

Direct contact with investee companies is a vital element in the in-house research conducted by the global smaller companies team. Over 2,000 such research meetings are held each year, from which a closely researched universe of some 800 companies is derived. It is from this closely researched universe that the portfolio is constructed.

Earnings model

Companies are included in the closely researched universe based on a thorough assessment of the fundamental prospects of their business model. The process seeks to identify high quality companies offering above average and relatively visible earnings growth (i.e. a business model which is not overly reliant on an economic or business cycle over which management have relatively little control).

Team discussions

The regional portfolio managers are responsible for stock selection within each regional bloc (United States, Pan-Europe, Japan and Asia ex-Japan) for which they have day-to-day discretion. The regional managers are closely integrated with their respective research teams.

Valuation screens

In addition to a thorough understanding of a company's business prospects and key drivers, an explicit output of the research is a fair value target for closely followed stocks, reflecting the aim to identify undervalued opportunities. Fair values are derived from metrics that explicitly incorporate the research assessment of the longer term outlook for potential investments.

Portfolio construction

The portfolio managers make their day-to-day stock decisions within a regional framework agreed by the Global Smaller Companies Investment Committee. The end result of this stock selection process is a well diversified Fund.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au

6 Schroder Global Active Value Fund

Investment objective

To deliver higher long run returns after fees than traditional capitalisation weighted global equity funds by investing in a diversified portfolio of equity and equity related securities of companies worldwide excluding Australia using an index unconstrained Value-based investment strategy.

Key features

- *Value style* – attractively priced companies with strong fundamentals outperform in the long run.
- *Embracing breadth* – exploiting opportunities from more than 15,000 stocks globally.
- *Stock weights are determined by fundamentals, and not by a stock's size in an index.*
- *Bottom-up, index unconstrained investing* – minimal sector, region or size constraints maximises the potential return and minimises dead money allocated to expensive stocks simply to satisfy inefficient index constraints.
- *Focus on risk management and portfolio construction* – a highly diversified portfolio minimises stock specific risk whilst retaining a high degree of conviction.

Risks

Please refer to the 'Fund line up' table on page 6 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

Our analysis suggests that Value investing is a powerful long-term investment strategy that works globally. Based on this research we believe a well designed Value strategy can expect to achieve returns of 3 to 4% per annum (before fees) in excess of capitalisation weighted global indices over the course of a full market cycle.

Intelligent portfolio construction can greatly enhance a skilful manager's ability to generate repeatable returns over time. As such we believe that there are three long term sources of strategic return available to an active investor in global equities. These are:

- having a Value bias;
- fully exploiting market breadth; and
- avoiding a capitalisation based weighting scheme.

We invest based upon bottom-up stock decisions and are unconstrained by benchmark related risk controls which can force investors to buy into expensive or low quality sectors and regions.

Our investment process can be summarised as follows:

Stage 1: Global Value Rank

After screening for liquidity, we end up with a broad investment universe of over 15,000 stocks from more than 40 countries including both developed and Emerging Markets. This maximises the investment opportunity. Each stock is assigned a 'Global Value Rank', determined by multiple valuation measures, including (but not limited to) dividends, cashflow, earnings, sales and asset based metrics. Our investment universe is the top third of the Global Value Rank.

Stage 2: Stock selection

There are a number of aspects to the stock selection process but the most significant are:

- *Market impact weighting* – to maximise both portfolio liquidity and investment breadth. This approach avoids the return drag associated with less efficient index based cap-weighting schemes which tend to be dominated by mega-cap stocks.
- *Probability of Value being realised* – a systematic assessment of the probability that each stock will outperform its peer group. Higher allocations are made to cheap stocks with superior fundamentals.

Stage 3: Portfolio construction and risk control

- *Bottom-up region and sector weightings* – we only invest where we find Value. If we cannot find opportunities in a particular country or industry we prefer to hold a zero weighting.
- *Diversification* – daily portfolio optimisation searching for the best Value stocks while also paying careful attention to portfolio diversification across more than 500 stocks.
- *Trade execution* – tailored to local market conditions in order to minimise costs.

Currency exposure is typically unhedged however currency derivatives may be used with equity index futures in managing cash flows or to reduce significant active currency deviations away from the MSCI World ex Australia Index for risk management purposes.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au

Global Value Rank
Investment universe top 1/3rd

Stock selection

Portfolio construction

7 Schroder Global Active Value Fund (Hedged)

Investment objective

To deliver higher long run returns after fees than traditional capitalisation weighted global equity funds by investing in a diversified portfolio of equity and equity related securities of companies worldwide excluding Australia using an index unconstrained Value-based investment strategy.

The impact of currency volatility arising from the underlying portfolio investments on Fund performance is minimised through currency hedges.

Key features

- *Value style* – attractively priced companies with strong fundamentals outperform in the long run.
- *Embracing breadth* – exploiting opportunities from more than 15,000 stocks globally.
- *Stock weights determined by fundamentals, and not by a stock's size in an index.*
- *Bottom-up, index unconstrained investing* – minimal sector, region or size constraints maximises potential return and minimises dead money allocated to expensive stocks simply to satisfy inefficient index constraints.
- *Focus on risk management* – a highly diversified portfolio minimises stock risk whilst retaining a high degree of conviction.
- *Currency hedging* – intended to minimise the impact of currency movements on returns.

Risks

Please refer to the 'Fund line up' table on page 6 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

Our analysis suggests that Value investing is a powerful long-term investment strategy that works globally. Based on this research we believe a well designed Value strategy can expect to achieve returns of 3 to 4% per annum (before fees) in excess of capitalisation weighted global indices over the course of a full market cycle.

Intelligent portfolio construction can greatly enhance a skilful manager's ability to generate repeatable returns over time. As such we believe that there are three long term sources of strategic return available to an active investor in global equities. These are:

- having a Value bias;
- fully exploiting market breadth; and
- avoiding a capitalisation based weighting scheme.

We invest based upon bottom-up decisions and are unconstrained by benchmark related risk controls which can force investors to buy into expensive or low quality sectors and regions.

Our investment process can be summarised as follows:

Stage 1: Global Value Rank

After screening for liquidity, we end up with a broad investment universe of over 15,000 stocks across more than 40 countries including both developed and Emerging Markets. This maximises the investment opportunity. Each stock is assigned a 'Global Value Rank', determined by multiple valuation measures, including (but not limited to) dividends, cashflow, earnings, sales and asset based metrics. Our investment universe is the top third of the Global Value Rank.

Stage 2: Stock selection

There are a number of aspects to the stock selection process but the most significant are:

- *Market impact weighting* – to maximise both portfolio liquidity and investment breadth. This approach avoids the return drag associated with less efficient index based cap-weighting schemes which tend to be dominated by mega-cap stocks.
- *Probability of Value being realised* – a systematic assessment of the probability that each stock will outperform its peer group. Higher allocations are made to cheap stocks with superior fundamentals.

Stage 3: Portfolio construction and risk control

- *Bottom-up region and sector weightings* – we only invest where we find Value. If we cannot find opportunities in a particular country or industry we prefer to hold a zero weighting.
- *Diversification* – daily portfolio optimisation searching for the best Value stocks while also paying careful attention to portfolio diversification across more than 500 stocks.
- *Trade execution* – tailored to local market conditions in order to minimise costs.

Finally, foreign currency exposure is minimised by hedging this exposure back to Australian dollars. This reduces the impact of movements in the Australian dollar on the Fund's returns.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au

Global Value Rank
Investment universe top 1/3rd

Stock selection

Portfolio construction

Schroder Global Quality Fund

Investment objective

To generate long-term returns after fees in excess of traditional capitalisation weighted global equity funds but with lower risk by investing in a diversified portfolio of equity and equity related securities of companies worldwide excluding Australia using an index unconstrained Quality-based investment strategy.

Key features

- *Modern Growth style alternative* – we focus on seeking high Quality companies which offer stable growth, are profitable and financially strong.
- *Embracing breadth* – exploiting opportunities from more than 5,000 stocks globally.
- *Stock weights are determined by fundamentals, and not by a stock's size in an index.*
- *Bottom-up, index unconstrained investing* – maximises the potential return by minimising dead money allocated to expensive stocks simply to satisfy index constraints.
- *Focus on risk management and portfolio construction* – a highly diversified portfolio minimising stock risk whilst retaining a high degree of conviction.
- *Complimentary to Value* – providing strategic diversification benefits as Quality typically performs differently to Value-based strategies, particularly during economic fluctuations.

Risks

Please refer to the 'Fund line up' table on page 7 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

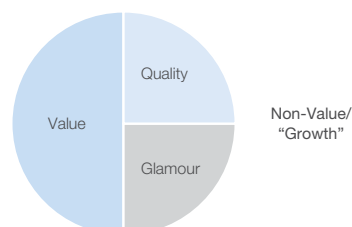
Investment philosophy

Global Quality is a modern 'Growth' complement to the traditional 'Value' style. We have redefined what 'Growth' investing is by identifying two separate components to 'Growth': Glamour, which we avoid as it frequently leads to disappointment, and Quality.

Our analysis suggests that Quality companies generate a return premium in excess of the market over time but with lower risk. Most importantly, Quality tends to generate positive excess returns with lower risk in periods when Value based strategies and equities suffer such as during a cyclical downturn. It therefore creates significant diversification from other equity based investment strategies.

The investment process can broadly be summarised as follows:

Distinction between Value and Growth



Stage 1: Global Quality Rank

We adopt a broad global universe of liquid stocks to maximise the investment opportunity. Our investment universe is defined by the top third of our 'Global Quality Rank' which is determined by a systematic assessment including (but not limited to) each company's profitability, stability and financial strength. We have developed additional metrics specifically for financial stocks to measure leverage, liquidity and funding risk.

Stage 2: Stock selection

There are a number of aspects to the stock selection process. The two most significant are:

- *Market Impact Weighting* – to maximise both portfolio liquidity and investment breadth. This approach avoids the return drag associated with a less efficient index based cap-weighting scheme which tends to be dominated by mega-cap stocks.
- *Torpedo model* – this helps to avoid potentially over-hyped stocks that are more likely to experience significant relative underperformance. Stocks with a low torpedo risk receive a higher weight while we progressively reduce exposure to stocks with increasing torpedo risk.

Stage 3: Portfolio construction

- *Bottom-up region and sector weightings* – we only invest where we find Quality. If we cannot find opportunities in a particular country or industry we prefer to hold a zero weighting.
- *Diversification* – daily optimisation of the portfolio to search for the best Quality stocks while also paying careful attention to portfolio diversification across more than 300 stocks.
- *Trade execution* – tailored to local market conditions in order to minimise costs.

Currency exposure is typically unhedged however currency derivatives may be used with equity index futures in managing cash flows or to reduce significant active currency deviations away from the MSCI World ex Australia Index for risk management purposes.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au

Global Quality Rank
Investment universe top 1/3rd

Stock selection

Portfolio construction

9 Schroder Global Dynamic Blend Fund



Investment objective

To outperform the MSCI World ex Australia Index (net dividends reinvested) after fees through an actively managed blend of our Global Value and Global Quality equity strategies. The strategy is implemented via a single portfolio of equity and equity related securities drawn from a large global pool of stocks excluding Australia.

Key features

- *The advantages of both Value and Quality in one fund* – strategic diversification from blending two distinct strategies which tend to outperform at different stages of the economic cycle.
- *Embracing breadth* – exploiting opportunities from more than 15,000 stocks globally.
- *Consistent philosophies and index unconstrained approach.*
- *More efficient implementation and risk management* in a single fund as opposed to a fund of fund structure.

Risks

Please refer to the 'Fund line up' table on page 7 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

Although Global Value and Global Quality have unique criteria for both stock selection and stock weighting, they share a number of common philosophies based upon diversification whilst avoiding the long run return drag typically associated with capitalisation weighted approaches. The investment process can broadly be summarised as follows:

Stage 1: Global Value and Quality Ranks

The stock universe covers more than 15,000 stocks across more than 40 countries. The Fund is managed without reference to a benchmark to maximise the investment opportunity, including both developed and Emerging Market stocks. Each stock is assigned a 'Global Value Rank' (including but not limited to measures of dividends, cashflow, earnings, sales and assets) and a 'Global Quality Rank' (including but not limited to measures of profitability, stability and financial strength).

Stocks within the top third of these ranks are eligible for inclusion in the portfolio depending upon our preference for either Value or Quality. We have also developed specific metrics to measure leverage, liquidity and funding risk for financial companies.

Stage 2: Stock selection

There are a number of aspects to the stock selection process but the most significant are:

- *Market Impact Weighting* – to maximise both portfolio liquidity and investment breadth. This approach avoids the return drag associated with less efficient index based cap-weighting schemes which tend to be dominated by mega-cap stocks.
- *Probability of Value being realised* – a systematic assessment is made of the probability that each attractively valued stock will outperform its peer group. Higher allocations are made to cheap stocks with superior fundamentals.
- *Torpedo model* – this helps to avoid potentially over-hyped companies that are more likely to experience significant relative underperformance. Stocks with a low torpedo risk receive a higher weight while we progressively reduce exposure to stocks with increasing torpedo risk.

Stage 3: Portfolio construction

- *Bottom-up region and sector weightings* – we only invest where we find Value or Quality opportunities and this in turn determines the final region, sector and market cap allocations.
- *Style allocation* – using a dashboard of indicators, we tactically allocate to either Quality or Value. We utilise both quantitative and qualitative judgement in making the final allocation based upon top-down indicators and signals emerging from our bottom-up analysis. Typically the portfolio holds in excess of 500 stocks.
- At times we may invest in our Global Enhanced Index strategy which is a low relative risk approach benchmarked against the MSCI World ex Australia Index based on opportunity and risk considerations.

Currency exposure is typically unhedged however currency derivatives may be used with equity index futures in managing cash flows or to reduce significant active currency deviations from the benchmark for risk management purposes.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au

Global Value Rank
Global Quality Rank
Investment universe top 1/3rd

Stock selection

Portfolio construction

10 Schroder Global Dynamic Blend Fund (Hedged)

Investment objective

To outperform the MSCI World ex Australia Index (net dividends reinvested) after fees through an actively managed blend of our Global Value and Global Quality equity strategies. The strategy is implemented via a single portfolio of equity and equity related securities drawn from a large global pool of stocks excluding Australia.

The impact of currency volatility arising from the underlying portfolio investments on Fund performance is minimised through currency hedges.

Key features

- *The advantages of both Value and Quality in one fund* – strategic diversification from blending two distinct strategies which tend to outperform at different stages of the economic cycle.
- *Embracing breadth* – exploiting opportunities from more than 15,000 stocks globally.
- *Consistent index unconstrained approach.*
- *More efficient implementation and risk management* in a single fund as opposed to a fund of fund structure.
- *Currency hedging* – intended to minimise the impact of currency movements on returns.

Risks

Please refer to the 'Fund line up' table on page 7 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

Although Global Value and Global Quality have unique criteria for both stock selection and stock weighting, they nevertheless share a number of common philosophies based upon diversification whilst avoiding the long run return drag typically associated with capitalisation weighted approaches. The investment process can broadly be summarised as follows:

Stage 1: Global Value and Quality Ranks

The stock universe covers more than 15,000 stocks across more than 40 countries. The Fund is managed without reference to a benchmark to maximise the investment opportunity, including both developed and Emerging Market stocks. Each stock is assigned a 'Global Value Rank' (including but not limited to

measures of dividends, cashflow, earnings, sales and assets) and a 'Global Quality Rank' (including but not limited to measures of profitability, stability and financial strength). Stocks within the top third of these ranks are eligible for inclusion in the portfolio depending upon our preference for either Value or Quality. We have also developed specific metrics to measure leverage, liquidity and funding risk for financial companies.

Stage 2: Stock selection

There are a number of aspects to the stock selection process but the most significant are:

- *Market Impact Weighting* – to maximise both portfolio liquidity and investment breadth. This approach avoids the return drag associated with less efficient index based cap-weighting schemes which tend to be dominated by mega-cap stocks.
- *Probability of Value being realised* – a systematic assessment is made of the probability that each attractively valued stock will outperform its peer group. Higher allocations are made to cheap stocks with superior fundamentals.
- *Torpedo model* – this helps to avoid potentially over-hyped companies that are more likely to experience significant relative underperformance. Stocks with a low torpedo risk receive a higher weight while we progressively reduce exposure to stocks with increasing torpedo risk.

Stage 3: Portfolio construction

- *Bottom-up region and sector weightings* – we only invest where we find Value or Quality opportunities and this in turn determines the final region, sector and market cap allocations.
- *Style allocation* – using a dashboard of indicators, we tactically allocate to either Quality or Value. We utilise both quantitative and qualitative judgement in making the final allocation based upon top-down indicators and signals emerging from our bottom-up analysis. Typically the portfolio holds in excess of 500 stocks.
- At times we may invest in our Global Enhanced Index strategy which is a low relative risk approach benchmarked against the MSCI World ex Australia Index based on opportunity and risk considerations.

Finally, the impact of foreign currency volatility on Fund performance is minimised by hedging a significant portion of this exposure back to Australian dollars.

Details about the latest performance and asset allocation for this fund are available on www.schroders.com.au

Global Value Rank
Global Quality Rank
Investment universe top 1/3rd

Stock selection

Portfolio construction

11 Schroder Balanced Fund



Investment objective

To deliver an investment return before fees of 5.0% pa above Australian inflation over the medium to long term. Inflation is defined as the RBA's Trimmed Mean, as published by the Australian Bureau of Statistics.

Key features

- *Robust investment process and risk management framework* – an emphasis on low volatility of return outcomes compared to our peers and an emphasis on delivering high risk adjusted returns.
- *Broad spectrum of investment opportunities* – The Fund invests across a broad array of asset classes including equity, alternatives and debt to ensure the portfolio is truly diversified in both an economic and asset class sense.
- *Leading edge multi-asset risk management tools* – designed specifically for multi-asset portfolios to aid in the effective allocation of risk.
- *Schroders' global network* – Schroders' Australian multi-asset team draws on the resources of Schroders' 46 strong global multi-asset team as well as other key investors within the Schroders Group.*

* As at 30 November 2010.

Risks

Please refer to the 'Fund line up' table on page 8 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

Our philosophy is based on the idea that understanding, managing and allocating risk is as important to meeting our investment objectives as is our understanding and allocation of sources of return. While accepting risk is necessary in order to lift returns over time, investors often take more risk than they need to achieve their goals. A properly constructed balanced fund should be a fund that will perform well across diverse economic and market environments (not just in rising equity markets).

The Fund's investment process involves several key steps:

Asset allocation

Identifying what assets to own and when to own them is the most important step in the investment process as it will have the greatest impact on the overall return and risk characteristics of the Fund. This step involves combining our medium term expectations of asset class risk and return with shorter term views on market valuation, cyclical developments and liquidity considerations, matched against the Fund's objectives to develop the appropriate asset allocation of the Fund.

Security selection

Different asset classes have their own unique set of fundamentals, which drive relative performance within the asset class. This makes security selection an important step in the process. Each asset class is analysed by specialist analysts and portfolio managers within the Schroders Group to determine appropriate positions to be taken within the asset class. These views are based on a rigorous investment process, which is customised for each local market, asset class and investment style to best capture prevailing market conditions. Risk control is optimised to fit within the aggregate portfolio risk in a way which provides the optimal return for minimal risk.

Portfolio construction

Once asset allocation has been determined and the appropriate security selection established, we then manage the overall portfolio with a view to minimising risks over time, constantly reassessing portfolio positioning and managing cash flow.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au



12 Schroder Fixed Income Fund

Investment objective

To obtain exposure to a diversified range of domestic and international fixed income securities with the principal aim of outperforming the UBS Composite Bond Index after fees over the medium term.

Key features

- *Robust investment process and risk management framework* with an emphasis on delivering low capital volatility and competitive risk adjusted returns.
- *Diversified and broad investment universe* of fixed income securities from which to generate returns.
- *Defensive fund with a low correlation to equity markets* which provides excellent portfolio diversification benefits.
- *Experienced Australian team* that is well integrated with Schroders' global and regional resources.

Risks

Please refer to the 'Fund line up' table on page 8 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

Our fixed income investment philosophy is based on our belief that most investors make inefficient use of the opportunity set available to them. For example, such investors may focus too much on arbitrary benchmarks that are not aligned with their objectives or they may have too narrow a focus (i.e. duration or credit). It is our belief that this creates an inefficiency that can be captured by broadening the opportunity set to capture diversified sources of risk and return.

The Fund's investment process involves several key steps:

Asset allocation

Identifying what assets to own and when to own them is the most important step in the investment process as it will have the greatest impact on the overall return and risk characteristics of the Fund. This step involves combining our medium term expectations of fixed income asset class risk and return with shorter term views on market valuation, cyclical developments and liquidity considerations, matched against the Fund's objectives to develop the appropriate asset allocation of the Fund. This step in the process ensures we utilise the broadest opportunity set but actively manage these exposures to ensure we are in the right assets at the right time.

Security selection

Security selection within each of the underlying asset classes is carried out in a manner aiming to exploit those areas with the most potential for adding value. The core Australian fixed income exposure is managed on a low risk active basis as we believe the opportunity to add significant value in this asset class is limited. The remaining asset classes are managed by the relevant market specialists within the Schroders group.

Portfolio construction

Portfolio construction and risk management is the final important step in the process. The portfolio structure at any point in time is a result of a disciplined analytical evaluation combined with our experience and judgement. The risk of the total portfolio is monitored on a continuous basis to ensure that the risks are appropriate in light of the expected returns and the Fund objective.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au





13 Schroder Credit Securities Fund

Investment objective

To outperform the RBA Cash Rate after fees and deliver income through investment in credit and debt securities with a focus on preserving investor capital.

Key features

- *Absolute return focus* with an objective to outperform cash and minimise capital volatility.
- *Well diversified* portfolio of credit and debt securities – a true income product.
- *Active investment process* that ensures we are in the right assets at the right time.
- *Focus on risk adjusted returns* where there needs to be appropriate reward for risk taken and the flexibility to be very defensive.
- *Strong domestic and global team*, giving investors access to a broader opportunity set and the resources to analyse and monitor credit risk.

Risks

Please refer to the ‘Fund line up’ table on page 8 for a listing of risks applicable to this Fund and further details in the section titled ‘Risks of investing in the Funds’ on page 9.

Investment philosophy and process

A well constructed portfolio should be forward looking, well diversified, and seek to maximise returns through the cycle by allocating risk efficiently.

The Fund’s objectives are achieved through accessing the risk premia across a range of Australian and global fixed income markets (typically credit) and actively managing the exposure between these.

Fundamental to our philosophy is ensuring investors are being properly rewarded for the risks they are taking. The risk management process has the flexibility to reduce market exposure when risk premiums are not justifiably sufficient to reward the investor. Given the breadth of the opportunity set, it is important to have an investment process which allows the manager to actively rotate across strategies to allow us to be in the right assets at the right time.

The practical application of our philosophy involves separating the investment process into several key steps with the aim to achieve higher absolute returns at lower risk than traditional credit funds:

Asset allocation

Identifying what assets to own and when to own them is the most important step in the investment process as it will have the greatest impact on the overall return and risk characteristics of the Fund. This step involves combining our medium term expectations of fixed income asset class risk and return with shorter term views on market valuation, cyclical developments and liquidity considerations, matched against the Fund’s objectives to develop the appropriate asset allocation of the Fund. This step in the process ensures we utilise the broadest opportunity set but actively manage these exposures to ensure we are in the right assets at the right time.

Security selection

Security selection is the next step. Security selection within each of the underlying asset classes is carried out in a manner aiming to exploit those areas with the most potential for adding value. The Australian credit exposure is actively managed to avoid defaults as we believe stock selection, sector selection and managing credit exposure present significant opportunities to add value. The remaining strategies are managed by the relevant market specialists within the Schroders Group.

Portfolio construction

Portfolio construction and risk management is the final important step in the process. The portfolio structure at any point in time is a result of a disciplined analytical evaluation combined with our experience and judgement. The risk of the total portfolio is monitored on a continuous basis to ensure that the risks are appropriate in light of the expected returns and the Fund objective.

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au



14 Schroder Real Return Fund Wholesale Class

Investment objective

To deliver an investment return of 5.0% pa before fees above Australian inflation over rolling 3 year periods. Inflation is defined as the RBA's Trimmed Mean, as published by the Australian Bureau of Statistics.

Key features

The significant benefits of investing in the Fund are:

- *Outcome oriented portfolio construction* – targeted return investing requires the efficient allocation of investment capital to those areas in which risk is rewarded (i.e. via an appropriate risk premium), while being able to meet the return hurdle with greatest certainty.
- *Broad spectrum of investment opportunities* – investing across a broad array of asset classes including equity, alternatives and debt to ensure the portfolio is truly diversified in both an economic and asset class sense.
- *Leading edge multi-asset risk management tools* – to aid in the assessment of a broad array of risk metrics and the effective allocation of risk (both total and active).
- *Dedicated investment team* – the Australian multi-asset team has clear ownership and accountability for meeting client objectives. The team also draws on the resources of Schroders' strong global multi-asset team, as well as other key investment teams within the Schroders Group.

Risks

Please refer to the 'Fund line up' table on page 8 for a listing of risks applicable to this Fund and further details in the section titled 'Risks of investing in the Funds' on page 9.

Investment philosophy and process

While most investors have an overall investment objective to target a medium to long-term return above inflation, few investors specifically manage to this objective. Our approach to inflation plus (or real return) investing is to choose the portfolio that has the highest probability of achieving the required return objective over the investment horizon, and the least expected variability around this objective.

The Fund employs a dynamic asset allocation framework in which both asset market risk premium, and consequently, the asset allocations of the portfolio are constantly reviewed. As risk premium (and thereby expected returns) change, so too will the asset allocation of the Fund (and sometimes significantly). The portfolio will reflect those assets that in combination are most closely aligned with the delivery of the objective. In effect it is not the asset classes that are important but the likely characteristics of the return. The approach utilises a combination of our longer term return estimates together with our shorter term value, cycle and liquidity (V,C,L) framework.

Important in the decision process, is the constant reassessment of investment opportunities and focus on downside risk which allows the Fund to minimise the dispersion of returns around the real return objective and the risk of loss.

The investment process has 3 key steps:

1. *Objective based asset allocation* – identifying the right assets to own and when to own them is the most important step in the process as it will have the greatest impact on the overall return and risk characteristics of the portfolio. This stage of the process involves the development of dynamic return expectations (a blend of our strategic and tactical returns) as well as a forward looking assessment of risk (in both a volatility and distribution sense).
2. *Security selection* – once the appropriate asset allocation has been determined, the next step is how best to implement this. This step involves an assessment of where and how to allocate stock selection risk in the portfolio. In this regard we consider a range of options including active and passive strategies, direct investments, funds or derivative exposures.
3. *Portfolio construction* – at all times the portfolio will reflect the combination of exposures that we expect will deliver the real return objective subject to acceptable risk limits. A key aspect of this Fund is the explicit targeting of a consistent real return. In this regard, a key measure of risk is not absolute volatility but volatility around the real return target. The portfolio construction process involves the continued assessment of a broad array of risk metrics to aid in the effective allocation of risk (both total and active).

Details about the latest performance and asset allocation for this Fund are available on www.schroders.com.au

Asset allocation

Security selection

Portfolio construction

Additional Fund information

Environmental, social and ethical factors and labour standards considerations

Schroders uses an investment approach that considers each investment based on its individual merits. Schroders does not have a predetermined view about labour standards or environmental, social and ethical considerations in relation to investment decision making. Schroders may however take into account these considerations if Schroders becomes aware of them, but only to the extent that they financially affect the investments. The primary focus of Schroders in relation to investments is on economic and financial outcomes.

Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged for each Fund. These fees and costs may be deducted from your money, from the returns on your investment or from Fund assets as a whole.

Tax details are set out in the 'Taxation issues' section on page 37 of this PDS.

You should read all the information about fees and costs, because it is important to understand their impact on your investment.

The following fee table applies to all Funds in this PDS. Fees and costs for specific Funds are set out on pages 28-29.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Termination fee</i> The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	<p>Management fees of 0.50% to 1.40% pa of the Net Asset Value (NAV) depending on the Fund plus performance fee*, if any.</p> <p>The amount you pay for specific Funds is shown on page 28.</p> <p>The management costs comprise the management fee and performance fee, if any. Normal expense recoveries are paid for by Schroders out of the management costs. For more information on these components, see 'Management costs' in the 'Additional explanation of fees and costs' section of this PDS.</p>	<p>The management costs are accrued daily and are generally deducted within 10 Business Days of month end. Management costs are deducted from the NAV of the Fund as a whole before unit prices are determined.</p> <p>See page 28 for more details relating to performance fees.</p> <p>The management costs may be negotiated. See 'Management costs' in the 'Additional explanation of fees and costs' section of this PDS for further details.</p>
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Nil	Not applicable

* A performance fee applies to the Schroder Australian Smaller Companies Fund.

Fees and other costs (cont.)

Example of annual fees and costs

This table gives an example of how the fees and costs for a fund such as the Schroder Global Emerging Markets Fund can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

Example		Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management costs	1.40% ¹	And, for every \$50,000 you have in the Fund you will be charged \$700 each year plus the performance fee (if any).
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$700² What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

¹ The rate used is for the purposes of this example only, management costs for each Fund may differ. Also note that the management costs may be higher having regard to the performance fee, if any.

² This amount excludes fees for an additional contribution of \$5,000 during the year.

Additional explanation of fees and costs

Taxation

Tax details are set out in the 'Taxation issues' section on page 37 of this PDS.

GST

Unless stated otherwise, all fees and costs outlined in this PDS are inclusive of GST less any RITC entitlement where applicable.

Management costs

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

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

The following table outlines the management fee and performance fee, if any, which comprise the management costs for each Fund.

	Fund	Management fee (pa)	Performance fee (pa)
1	Schroder Wholesale Australian Equity Fund	0.92%	Nil
2	Schroder Australian Smaller Companies Fund	1.10%	20.5% of performance net of management fees over the S&P/ASX Small Ordinaries Accumulation Index
3	Schroder Global Emerging Markets Fund	1.40%	Nil
4	Schroder Asia Pacific Fund	1.37%	Nil
5	Schroder Global Smaller Companies Fund	1.25%	Nil
6	Schroder Global Active Value Fund	0.98%	Nil
7	Schroder Global Active Value Fund (Hedged)	0.98%	Nil
8	Schroder Global Quality Fund	0.98%	Nil
9	Schroder Global Dynamic Blend Fund	1.08%	Nil
10	Schroder Global Dynamic Blend Fund (Hedged)	1.08%	Nil
11	Schroder Balanced Fund	0.90%	Nil
12	Schroder Fixed Income Fund	0.50%	Nil
13	Schroder Credit Securities Fund	0.75%	Nil
14	Schroder Real Return Fund Wholesale Class	0.90%	Nil

The management costs set out in the above table are inclusive of GST less any RITC entitlement and calculated on the NAV of the Fund.

Management fees

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

Performance fees

Schroders is entitled to recover performance fees from the Schroder Australian Smaller Companies Fund. The performance fee is reflected in the daily unit price and paid annually (Payment Date) at a rate of 20.5% (inclusive of GST less any RITC entitlement) of the outperformance net of management fees above the performance benchmark, the S&P/ASX Small Ordinaries Accumulation Index (Index). Full details of how the fee is calculated is set out in the Fund's constitution. As at the date of this PDS, no performance fee is being charged to any other Fund in this PDS.

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

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

Fees and other costs (cont.)

Example of performance fee	Balance of \$50,000
The Fund has not outperformed the Index since the last Payment Date.	No performance fee is payable
The Fund outperformed the Index after fees since the last Payment Date, but is insufficient to offset prior periods of negative performance fees.	No performance fee is payable
After allowing for any prior periods of negative performance fees, the Fund outperformed the Index by 2% after management fees since the last Payment Date.	$20.5\% \times 2\% \times \$50,000 = \$205$

The performance fee example is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund.

Abnormal expense recoveries

Schroders may recover abnormal expenses (such as costs of unitholder meetings, changes to constitutions, and defending or pursuing legal proceedings) from the Funds. Abnormal expenses are not generally incurred during the day-to-day operation of the Funds and are not necessarily incurred in any given year. The management costs set out in the tables headed 'Fund line up' on pages 5 to 8 and the table above do not include any abnormal expenses. Schroders may, in its sole discretion, decide not to recover these abnormal expenses from the Funds.

Transactional costs

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

The buy/sell spread is additional to the costs you incur as detailed in the 'Fees and other costs' table in this PDS on page 26 and differ by Fund as follows as at the date of this PDS:

Fund	Transaction costs per transaction (%) 'buy/sell spread' as at 1 February 2011
1 Schroder Wholesale Australian Equity Fund	0.30% on application; 0.30% on withdrawal
2 Schroder Australian Smaller Companies Fund	0.60% on application; 0.60% on withdrawal
3 Schroder Global Emerging Markets Fund	0.50% on application; 0.50% on withdrawal
4 Schroder Asia Pacific Fund	0.50% on application; 0.50% on withdrawal
5 Schroder Global Smaller Companies Fund	0.50% on application; 0.50% on withdrawal
6 Schroder Global Active Value Fund	0.15% on application; 0.15% on withdrawal
7 Schroder Global Active Value Fund (Hedged)	0.18% on application; 0.18% on withdrawal
8 Schroder Global Quality Fund	0.15% on application; 0.15% on withdrawal
9 Schroder Global Dynamic Blend Fund	0.15% on application; 0.15% on withdrawal
10 Schroder Global Dynamic Blend Fund (Hedged)	0.18% on application; 0.18% on withdrawal
11 Schroder Balanced Fund	0.22% on application; 0.22% on withdrawal
12 Schroder Fixed Income Fund	0.05% on application; 0.05% on withdrawal
13 Schroder Credit Securities Fund	0.15% on application; 0.15% on withdrawal
14 Schroder Real Return Fund Wholesale Class	0.20% on application; 0.20% on withdrawal

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

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

To obtain an indication of the current buy/sell spreads that may apply to an application or withdrawal from the Fund, please visit www.schroders.com.au

In addition we may at our discretion reduce 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 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.

Adviser commissions

Schroders does not currently pay any commission or other similar payments to financial advisers but reserves the right to do so at any time in the future.

Additional payments made by Schroders

Schroders may make Product Access Payments (flat dollar amounts) to IDPS operators who distribute our Funds on their investment menu. These payments may help to cover costs incurred in establishing and maintaining our Funds on those menus, and certain other marketing and distribution costs. If these types of payments are made, they are paid directly by Schroders and do not impact the Fund. Schroders will negotiate the amount of the Product Access Payment with each IDPS operator.

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

As a member of the Financial Services Council (formerly, the Investment & Financial Services Association), 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

On investing in a Fund, any costs associated with an 'in-specie' transfer will be paid by the investor.

Where a withdrawal is satisfied by an 'in-specie' transfer, the investor will bear all costs, including any applicable stamp duty, payable as a result of the transfer.

Schroders reserves the right to accept 'in-specie' transfers for applications or in satisfaction of withdrawals in its absolute discretion.

Fees and other costs (cont.)

Changing the fees

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

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

However, Schroders cannot charge more than the maximum fees permitted under the Constitution as set out below (otherwise we would need members' approval to increase the fee maximums in the Constitution).

Management fees

In relation to the Schroder Wholesale Australian Equity Fund, Schroder Global Emerging Markets Fund, Schroder Global Active Value Fund (Hedged), Schroder Global Active Value Fund and Schroder Credit Securities Fund the maximum management fee is 3.08% per annum. In relation to the Schroder Asia Pacific Fund, Schroder Global Smaller Companies Fund, Schroder Balanced Fund and Schroder Fixed Income Fund the maximum management fee is 3.59% per annum. In relation to the Schroder Australian Smaller Companies Fund, Schroder Global Quality Fund, Schroder Global Dynamic Blend Fund, Schroder Global Dynamic Blend Fund (Hedged) and Schroder Real Return Fund Wholesale Class the maximum management fee is 5.1% per annum.

All management fees are inclusive of GST less any RITC entitlement and based on the NAV of the Fund except where indicated otherwise.

Performance fees

The Schroder Australian Smaller Companies Fund, Schroder Global Dynamic Blend Fund (Hedged) and the Schroder Real Return Fund Wholesale Class have maximum performance fees of 33.8% of performance net of management costs over the target benchmark.

All performance fees are inclusive of GST less any RITC entitlement except where indicated otherwise.

Establishment fee

All Schroder Funds have a maximum establishment fee of 5.00% of the application money for units or the market value of the property or any amount as agreed between the applicant and their adviser and notified to Schroders. This fee is not subject to GST.

Withdrawal fee

All Schroder Funds have a maximum withdrawal fee of 5.00% of the withdrawal price or such other amount as agreed between Schroders and the relevant member. This fee is not subject to GST.

Administration expense recoveries

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

It is important to note that the above are maximum fees permitted under each Fund's constitution and are not the actual fees charged. The actual fees charged to each Fund are set out in the 'Fund line up' table on pages 5 to 8 and the 'Management costs' table on page 28.

How to invest in the Funds?

Initial investment

The minimum initial investment is \$50,000 per Fund. An initial application for units must be made on the original application form attached to this PDS. New applications must also provide supporting identification documents as part of the requirements of the Anti-Money Laundering and Counter-Terrorism Financing regime. These identification and verification requirements are outlined in the customer identification forms from page 56.

Initial applications received by facsimile will not be accepted without prior agreement by Schroders. All initial applications will only be accepted if received by 3pm Sydney time on a Business Day and Schroders is satisfied with all details disclosed in the application form and associated client identification documents have been received.

Payment options

There are two options for payment, however in the case of applications for amounts in excess of \$5 million, application funds should be made 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 should be quoted on all payment methods. The beneficiary lodgement code is different for each Fund. Please take care to quote the right beneficiary lodgement code details of which are provided on page 2 and also on the application form.

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 Authorised Deposit-taking Institution (ADI).

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

2. Direct deposit

Deposit application money directly into the following account:

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

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

Physical cash will not be accepted at any time.

Application monies for amounts in excess of \$5 million should be transferred by RTGS and released to Schroders before 12pm on the day of the application to avoid any delays in processing the application.

Where a valid application form is received and accepted by Schroders by 3pm Sydney time on a Business Day, units will normally be allocated at the unit price calculated on the Business Day that the valid application form is accepted by Schroders.

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

How to invest in the Funds? (cont.)

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:

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

Additional investments

The minimum additional investment is \$5,000 per Fund. Unit holders may make additional investments by forwarding payment in accordance with the 'Payment options' above, together with written notification or either a current application form or additional application form which can be downloaded from www.schroders.com.au

Where additional applications are received by 3pm Sydney time on a Business Day and accepted by Schroders, units will normally be allocated at the unit price calculated on the Business Day that the additional application is accepted by Schroders.

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

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

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

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

Other things you should know

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

If you are investing in a Fund indirectly through an intermediate investment operator such as IDPS please discuss the application requirements with your intermediate investment operator. You do not need to complete a current Schroders application form. For more information about investing in a Fund as an indirect investor see page 41.

The 3pm Sydney time cut-off may be changed by Schroders at its discretion without notice. Typically an earlier cut-off time will be adopted on days when markets have shortened trading hours.

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 the 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 received 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 writing 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 the Fund and any tax payable.

The cooling-off period will end if and when an investor exercises their right to make an additional investment during the 14 day period. The cooling-off period does not apply in certain circumstances, such as where there are not enough investments which Schroders can easily convert into cash, where investments are made by wholesale clients, or when you make additional investments.

How to withdraw from the Funds?

The minimum withdrawal amount is \$5,000. Unit holders may request to withdraw some or all of their investment in the Fund by sending written notification or completing a withdrawal form which can be downloaded from www.schroders.com.au. Where payment instructions are not to a pre-nominated account, the original withdrawal instructions must be received by Schroders. Facsimile instruction will not be accepted. 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.

Withdrawal requests received by 3pm Sydney time on a Business Day and accepted by Schroders will normally be processed at the unit price calculated on the Business Day that the valid withdrawal request is accepted by Schroders.

The 3pm Sydney time cut-off may be changed by Schroders at its discretion without notice. Typically an earlier cut-off time will be adopted on days when markets have shortened trading hours.

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

Schroders will normally pay withdrawal proceeds within 7 Business Days of accepting a valid withdrawal request. In accordance with the Funds' Constitutions, Schroders has up to 40 Business Days (or such shorter period as outlined in the Fund constitution) after the date on which the withdrawal request has been received in which to pay the withdrawal amount. However, it should be noted that, in accordance with the Constitutions, the Corporations Act, or other anti-money laundering and counter terrorism financing obligations, Schroders may suspend or freeze the withdrawal of units in a number of circumstances including where it is impractical to calculate the current unit value, due to, for instance, the closure of a securities exchange or otherwise required by law.

Withdrawal requests will generally be met from cash resources or by the disposal of investments in a Fund. Schroders may, at its discretion, satisfy withdrawal requests by transfer of investments to the unit holder. Investments, the subject of 'in specie' transfers, will be valued on the date units are cancelled. All costs including any applicable stamp duty, incurred as a result of the transfer, will be payable by the unit holder.

If your investment account balance falls below the minimum balance of \$50,000 as a result of transactions you have made or attempt to make on your investment account, Schroders may close your account and withdraw your units without receiving a withdrawal request from you.

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 Fund 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 Global Smaller Companies Fund
- Schroder Australian Smaller Companies Fund
- Schroder Balanced Fund
- Schroder Fixed Income Fund
- Schroder Credit Securities Fund
- Schroder Global Dynamic Blend Fund (Hedged)

The Funds in this PDS are not listed on any official exchange so you cannot sell your units through any agency.

Distributions

Distributions are normally determined depending on the Fund as follows:

	Fund	Distribution frequency (calculated on the last business day)
1	Schroder Wholesale Australian Equity Fund	Half-yearly (December, June)
2	Schroder Australian Smaller Companies Fund	Half-yearly (December, June)
3	Schroder Global Emerging Markets Fund	Half-yearly (December, June)
4	Schroder Asia Pacific Fund	Half-yearly (December, June)
5	Schroder Global Smaller Companies Fund	Half-yearly (December, June)
6	Schroder Global Active Value Fund	Half-yearly (December, June)
7	Schroder Global Active Value Fund (Hedged)	Half-yearly (December, June)
8	Schroder Global Quality Fund	Half-yearly (December, June)
9	Schroder Global Dynamic Blend Fund	Half-yearly (December, June)
10	Schroder Global Dynamic Blend Fund (Hedged)	Half-yearly (December, June)
11	Schroder Balanced Fund	Half-yearly (December, June)
12	Schroder Fixed Income Fund	Quarterly (September, December, March, June)
13	Schroder Credit Securities Fund	Quarterly (September, December, March, June)
14	Schroder Real Return Fund Wholesale Class	Half-yearly (December, June)

Schroders may make additional distributions of income and/or capital to unit holders at its discretion. A unit holder can elect to have their distributions:

- reinvested in units. There is no buy/sell spread associated with reinvestment of distributions; or
- paid to the unit holder's pre-nominated account with an Australian ADI or a non-Australian ADI as agreed to by Schroders.

Taxation issues

The taxation information below is of a general nature only and does not take into account the specific circumstances of any unit holder. Schroders does not purport to offer any taxation advice. Each unit holder 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 law and may be subject to change.

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

General taxation

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

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

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

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

GST

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 unit holder 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 the relevant Fund. However, depending on the nature of the fees and expenses, a Fund may be entitled to RITCs in respect of that GST. Where a Fund is precluded from claiming RITCs, the assets of that Fund will be reduced.

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.

Keeping you informed

Unit holders may receive the following reports:

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

If you are a retail client as defined in the Corporations Act, you are entitled to a periodic statement on your investments. If you are investing through an intermediate investment such as an IDPS then reports on your investment will come from the operator of that service, not from Schroders.

Potential investors may obtain copies of audited financial statements and/or details of the underlying investments or current unit prices for the Funds by contacting Schroders (see 'Contacting Schroders' on page 43).

Under the Constitution of the Funds, Schroders or its nominee has certain discretions in calculating unit prices. We have a documented unit pricing policy relating to the exercise of these discretions. A copy of the policy and documents relating to it are available free of charge on our website, www.schroders.com.au or by contacting Schroders (see 'Contacting Schroders' on page 43).

Online account access

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

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

Note that transactions cannot be made online.

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

If you appoint an adviser or authorised representative we will provide them with a separate login ID and password to access your account information.

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

Up-to-date information

Certain information in this PDS may change from time to time. This includes but is not limited to potential changes which we have identified. Where we indicate to you that we will give notice of such changes, or where the updated information includes no materially adverse information, we will publish the updated information on our website, www.schroders.com.au. A copy of the updated information will be available free of charge upon request by contacting Schroders (see 'Contacting Schroders' on page 43).

Continuous disclosure

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

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

The reports and notices will be provided as soon as practicable, and in any event within 5 days, after the request is received. In addition, in the event that a Fund becomes a 'disclosing entity', any other continuous disclosure notices required under the Corporations Act will be made available on Schroders website, www.schroders.com.au, in accordance with the requirements of ASIC policy.

Our legal relationship with investors

The Corporations Act, general law and the Constitution set out the rights and interests of the unit holders in the Funds as investors and also set out the rights, duties and obligations of Schroders as the Responsible Entity of each Fund.

Compliance plan

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

Constitution

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

Rights and liabilities of unit holders

Each unit carries with it an equal beneficial interest in a Fund as a whole but not in any particular asset of that Fund. Fund income is only distributed to registered unit holders entitled to a distribution as at the last Business Day of the distribution period. Unit holders may not interfere with Schroders' powers or exercise any rights in respect of any investment of the relevant Fund. Under the Constitution and the Corporations Act unit holders 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 unit holder's liability to Schroders as the Responsible Entity to the value of that unit holder'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 any greater extent to which it is entitled to be and is in fact indemnified out 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 unit holders pass an extraordinary resolution to remove Schroders as the Responsible Entity. Schroders may also retire voluntarily and must call a meeting of unit holders who may choose a replacement by extraordinary resolution.

Termination of a Fund

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

Dealing with complaints

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Schroders has procedures in place for dealing with complaints. We will seek to acknowledge receipt of your complaint in writing as soon as reasonably practicable and in any event within 14 days from receipt, and address your complaint within 45 days. If Schroders has not addressed your complaint, or if you are not satisfied, you can refer your complaint to the independent complaints resolution body, Financial Ombudsman Service Limited ABN 67 131 124 448 (FOS), of whom Schroders is a member. Claims decided upon by FOS are subject to limits on the maximum total value of the remedy that can be awarded by FOS. Please see the terms of reference for FOS as approved by ASIC which can be found at www.fos.org.au

Investors with enquiries should contact Schroders. Notification of any complaint should be made in writing addressed to:

Manager Client Services
Schroder Investment Management Australia Limited
GPO Box 5059
Sydney NSW 2001

If your complaint remains unresolved, you may contact FOS at GPO Box 3, Melbourne VIC 3001, or call 1300 780 808 or fax (03) 9613 6399.

Investing through an intermediate investment operator

Schroders authorises the use of this PDS by clients or prospective clients of intermediate investment operators such as IDPS, nominee or custody services or IDPS-like services provided through a registered managed investment scheme. This PDS may be used to give the relevant operator of an intermediate investment a direction to invest in the Funds. In doing so, clients of the intermediate investment operator become indirect investors in the Funds. This is because they are not unit holders in the Funds, rather the operator of the intermediate investment can exercise rights, or decline to exercise rights, such as attend and vote at unit holders' meetings, on behalf of indirect investors. Certain provisions of the Constitutions are not relevant to indirect investors, such as provisions relating to the rights of unit holders, applications for units and withdrawals and meetings of unit holders. Indirect investors should ignore certain information in this PDS which is relevant only for direct investors, for example:

Applications/Withdrawals:	The offer document from your intermediate investment operator will outline the procedure for your investment or withdrawal of units in the relevant Fund.
Cooling-off period:	Cooling-off rights do not apply to clients of the intermediate investment operator. You should contact the operator of the intermediate investment to determine what cooling-off rights you may have.
Distributions:	Distributions you receive as an investor may differ to those referred to in this PDS.
Fees and expenses:	The fees and charges that may apply may differ to those referred to in this PDS.
Taxation:	The taxation implications for investors depend upon the nature of your intermediate investment. If you are uncertain as to the taxation consequences of your investment in a Fund you should seek independent taxation advice.

Indirect investors should also read this PDS together with any disclosure documentation from their intermediate investment operator. Schroders will promptly notify the relevant operator of an intermediate investment that is investing in the Funds where a supplementary PDS is made available with this PDS. If you are investing through an indirect intermediate investment operator, such as an IDPS, then enquiries and complaints should be directed to the operator of that service, not to Schroders.

Important additional information for New Zealand investors

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If you are a New Zealand investor, we are required to provide the following additional information to you under New Zealand law.

General

- (a) 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 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.
- (b) 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 and Regulations (Australia) set out how the offer must be made.
- (c) There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.
- (e) Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian securities is not the same as for New Zealand securities.
- (g) 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

- (a) The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- (b) If you expect the securities 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.

Dispute resolution

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

Privacy

Schroders must comply with the Privacy Act. This Act generally regulates the collection, storage, quality, use and disclosure of personal information. Schroders may collect personal information from investors to provide its products and services. The Corporations Act requires Schroders to collect some personal information about you. In accordance with Schroders' Privacy Policy, 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. Schroders may disclose information to related entities, and anyone acting on Schroders behalf such as external service suppliers who supply administrative, financial or other services to assist Schroders in providing financial services, anyone you have authorised, or government departments or agencies. 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.

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.

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

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

Further information on how Schroders handles personal and sensitive information can be found in the Privacy Statement which is available on the Schroders website www.schroders.com.au

Contacting Schroders

General Correspondence:

Schroder Investment Management Australia Limited (ABN 22 000 443 274)
GPO Box 5059
Sydney NSW 2001

or

Level 20
123 Pitt Street
Sydney NSW 2000

www.schroders.com.au
email: simal@schroders.com

Applications/withdrawals/transfers

Attention: Unit Registry
Schroders c/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001

Applications/withdrawals facsimile

Attention: Unit Registry
Schroders c/- RBC Dexia Investor Services
Fax: +612 8262 5460

Client services telephone: 1300 136 471

General enquiries telephone: +612 9210 9421 (from outside Australia) (9 am – 5 pm EST)

Terms and conditions of application and withdrawal

Units in the Funds will only be allocated following receipt and acceptance by Schroders of a completed application form, accompanying this PDS, plus any required documentation. Schroders has absolute discretion to accept or reject any application. Please refer to 'How to invest in the Funds?' section on page 32 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. Schroders has absolute discretion to accept or reject any withdrawal request. Please refer to the 'How to withdraw from the Funds?' section on page 35 for further information.

Conditions and acknowledgments

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

1. Facsimile terms and conditions

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

- The investor bears the risk that someone who knows their account details may send Schroders an instruction to apply or withdraw via facsimile. Any action taken by that person will be deemed to be taken by the investor. Schroders is not responsible to the investor for any fraudulently completed communications. Schroders will not compensate the investor for any losses.
- The investor bears the risk that the use of this arrangement may result in the duplication of instructions received by Schroders. Schroders will not compensate investors for any losses arising from the processing of duplicate instructions.
- The investor agrees to release, discharge and indemnify Schroders, and any other related or associated entities of Schroders, from and against any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities, however arising out of the use of this arrangement.
- Schroders will only act on a completed communication which has been received by Schroders. A facsimile transmission certificate from the investor's facsimile machine is not evidence that the investor's facsimile was received by Schroders. Schroders is not liable for any loss or delay resulting from the non-receipt of any transmission.
- Schroders may cancel this arrangement or vary these conditions on 14 days notice.
- Initial applications received by facsimile by Schroders will not be accepted without prior agreement by Schroders.
- The investor bears the risk of delays in processing instructions if a facsimile is not sent to the applications/withdrawals facsimile number.

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 already been provided to Schroders.
- If investing as trustee on behalf of a superannuation fund or trust, the trustee confirms that they have the power and authority under the relevant trust deed to invest on behalf of the superannuation fund or trust.
- If investing on behalf of an unincorporated entity, the officer confirms that they have the power and authority under the relevant Rules/Constitution to invest on behalf of the entity.
- In the case of joint applications, the investors agree to hold the units as joint tenants and acknowledge that, unless otherwise stated, either investor is able to operate the account, including making withdrawal requests and additional applications.
- If investing as a company/incorporated association, the investor confirms that they are officers of the company/incorporated association and that they have the authority to bind the company/incorporated association to the investment. If they are a sole signatory signing on behalf of a company, the investor confirms that they are signing as the sole director/secretary of the company.

Terms and conditions of application and withdrawal (cont.)

3. Adviser/consultant and authorised signatories terms and conditions

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

- Schroders will only pay the investor. Payment to third parties is not permitted.
- Schroders may treat the exercise of any power by a person reasonably believed to be acting as an investor's adviser/consultant or authorised signatory as if the investor had personally exercised those powers. An investor cannot claim that their adviser/consultant or authorised signatory was not acting on their behalf until the arrangement is discontinued by written notice being received by Schroders.
- The investor's adviser/consultant or authorised signatory does not have the power to appoint another adviser/consultant or 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 the Funds you warrant that:

- You comply and will continue to comply with applicable anti-money laundering (AML) and counter-terrorism financing (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 moneys used to fund your investment in a Fund have been or will be derived from or related to any money laundering, terrorism financing or similar activities illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement ('illegal activity'); or
 - ii. The proceeds of your investment in a Fund will be used to finance any illegal activities.
- You will provide us with all additional information and assistance that we may request in order for us to comply with any AML/CTF Law.
- You are not a 'politically exposed' person or organisation for the purposes of any AML/CTF Law.
- You acknowledge that Schroders may, in its sole and absolute discretion but otherwise in accordance with the law, vary the terms of this PDS or alter the arrangements in respect of any Fund, where Schroders is required to do so due to changes in AML/CTF law.

By applying to invest in the Funds, 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.

Glossary

ADI	means Australian Deposit-taking Institution.
AML/CTF Law	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) as amended from time to time.
ASIC	means the Australian Securities and Investments Commission or if it ceases to exist, any regulatory body or authority as then serves substantially the same objects.
AUD	means Australian dollars.
Business Day	means any day excluding a Saturday or Sunday on which banks are open for business in Sydney.
Constitution	means the constitution of the relevant Fund, as amended or replaced from time to time.
Corporations Act	means the Corporations Act 2001 (Cth) as amended from time to time.
Derivative Risk Statement	has the same meaning as “Risk Management Statement” in the Superannuation Circular No.II.D.7 “Derivatives” issued by the Australian Prudential Regulation Authority and as amended from time to time.
Emerging Markets	Emerging Markets are developing countries around the world which are characterised by a stronger growth potential than mature economies. This characteristic may lead to the opportunity for premium returns but with higher risks attached. The investable universe of Emerging Markets is commonly defined by, but not limited to, the MSCI Emerging Markets Index which covers 25 countries and over 700 stocks as at 30 September 2010.
Fund	means the relevant fund as set out in the table on page 2, which is a registered managed investment scheme under the Corporations Act.
Glamour	means stocks which exhibit high beta, volatility and excessive trading activity. These stocks are often the latest over-hyped market themes and at risk of correction.
Global Value	means the Schroder Global Value equity strategy.
Global Quality	means the Schroder Global Quality equity strategy.
Growth	Growth investing is a style of investing which focuses on stocks exhibiting strong earnings expansion and high profit expectations, regardless of their valuation.
Indirect Cost Ratio	means a Fund’s management costs (that are not deducted directly from a unitholder’s account) expressed as a percentage of a Fund’s total average NAV.
NAV or Net Asset Value	means the total assets minus the total liabilities of the relevant Fund, units or portfolio in question, as determined in accordance with the Constitution.

Glossary (cont.)

PDS	means this Product Disclosure Statement dated 1 February 2011.
Privacy Act	means the Privacy Act 1988 (Cth) as amended from time to time.
Quality	Quality investing is a style of investment strategy which seeks to focus on quality companies with stable growth and are financially strong. The best performing quality stocks are those without 'glamour' attributes such as high beta, volatility and excessive trading activity.
Responsible Entity	has the meaning defined in the Corporations Act. The Responsible Entity of the Funds is Schroder Investment Management Australia Limited.
RITC	means a "reduced input tax credit" as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) as amended from time to time.
Trimmed Mean	is a measure of the rate of inflation defined as the average rate of inflation after 'trimming' away a certain percentage of the distribution of price changes at both ends of that distribution. These measures are calculated by ordering the seasonally adjusted price changes for all CPI components in any period from lowest to highest, trimming away those that lie at the two outer edges of the distribution of price changes for that period, and then calculating an average inflation rate from the remaining set of price changes.
Value	Value investing is a style of investment strategy which focuses on companies whose shares appear underpriced. These may include shares that are trading at, for example, high dividend yields or low price-to-earning or price-to-book ratios.

Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

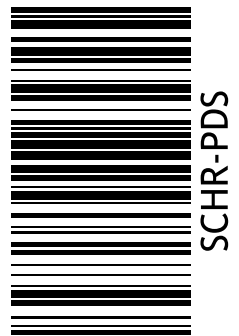
Application form

1 February 2011

Units will only be issued on receipt of this completed application form, customer identification form and any documents required to be attached, issued together with the PDS dated 1 February 2011. You should read all parts of the PDS before applying. Please phone the Schroders Client Services Team on **1300 136 471** or **+61 2 9210 9421** if outside Australia with any enquiries.

Please complete this form using BLACK INK and print well within the boxes in CAPITAL LETTERS. Mark appropriate answer boxes with a cross (X). Start at the left of each answer space and leave a gap between words.

Fields marked with an asterisk (*) **must** be completed for the purposes of AML/CTF laws.



Checklist

Please ensure you have completed all of the requirements in the checklist below in order for your application to proceed.

- Completed the application form
- Signed the application form
- Attached a cheque or arranged a direct credit transfer
- Completed a customer identification form
- Attached certified copies of relevant identification documents

Customer identification forms and relevant identification documents are only applicable for initial investments.

1. Account details

Please tick if you are an existing Schroders investor. If yes, please quote your client and/or account number below:

Client number:

Account number:

2. Investor details

What type of account are you opening? (Please indicate using an 'X').

- | | | | |
|--|--|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Joint | <input type="checkbox"/> Sole Trader | <input type="checkbox"/> Trust |
| <input type="checkbox"/> Superannuation Fund | <input type="checkbox"/> Estate | <input type="checkbox"/> Australian Company | <input type="checkbox"/> Foreign Company |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Government Body | <input type="checkbox"/> Association | <input type="checkbox"/> Co-operative |

Please refer to customer identification forms on page 56.

Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

Application form (cont.)

Investor 1 (individual accounts/sole trader)

Title:

Full given name(s)*

Surname*

Date of birth*
//

Male Female

Your main country of residence, if not Australia*

Tax File Number or reason for exemption*

Full business name of sole trader*

ABN (if any)

Investor 2 (joint accounts)

Title:

Full given name(s)*

Surname*

Date of birth*
//

Male Female

Your main country of residence, if not Australia*

Tax File Number or reason for exemption*

Non-individual investors – company/partnership/trust/superannuation fund or other entity

Full name of company/partnership/trustee/other entity*:

Full name of superannuation fund/trust*:

Principal business/trust activity*:

Are you a charity?* Yes No

Country established, if not Australia*:

ABN/ARBN/ARSN:

Tax File Number (superannuation fund/trust/company – if applicable)

Failure to quote a Tax File Number (TFN) or Australian Business Number (ABN) is not an offence, however, we are required to withhold tax from your distributions at the highest marginal rate of tax (plus medicare levy) until your TFN or ABN is provided. Collection of TFN and ABN information is authorised and its use and disclosure are strictly regulated by the tax and privacy laws. If exempt please supply supporting documentation.

Existing clients (Australian investors only): We will use the Tax File Number (TFN)/Australian Business Number (ABN) or Exemption you have previously advised unless you request us not to.

[^] Tax File Number (TFN) exemption:

Exemption – please write the full name of the benefit that you receive (eg "Age Pension").

Non-resident – please write the full name of your country of residence.

Not for profit organisations – who are not required to lodge a TFN.

No TFN or do not wish to quote a TFN.

Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

3. Contact details

Investor 1 Residential address (PO Box is NOT acceptable)*

Unit number: Street number:

Street name:

Suburb:

State: Postcode: Country:

Contact: Work phone number: Home phone number:

Fax number: Mobile phone number:

Email address for investor 1 (Mandatory field):

Postal address (if different from above)

Unit number: Street number: PO Box number:

Street name:

Suburb:

State: Postcode: Country:



Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

Application form (cont.)

Investor 2 (if applicable)

Residential address (PO Box is NOT acceptable)*

Unit number: Street number:
Street name:
Suburb:
State: Postcode: Country:

Postal address (if different to above)

Unit number: Street number: PO Box number:
Street name:
Suburb:
State: Postcode: Country:

Contact: Work phone number:
Home phone number:
Fax number:
Mobile phone number:

Email address for investor 2:

Non-individual investors

Registered office address/principal place of business (PO Box is NOT acceptable)

Unit number: Street number:
Street name:
Suburb:
State: Postcode: Country:

Postal address (if different to above)

Unit number: Street number: PO Box number:
Street name:
Suburb:
State: Postcode: Country:

Contact name:

Contact: Work phone number:
Home phone number:
Fax number:
Mobile phone number:

Email address (**Mandatory field**):

By providing your email address, you agree that we may use this address to provide you with information about your investment (such as transaction confirmations, statements, reports and other material). From time to time we may still need to send you letters in the post.

Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

4. Adviser details

Complete your adviser details (if applicable)

Adviser name:	<input type="text"/>		
Adviser contact:	Phone number:	Dealer Group stamp:	
	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	
	Mobile phone number:		
	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
Adviser email:	<input type="text"/>		
Adviser authorised representative no:	<input type="text"/>		
Unit number:	<input type="text"/>	Street number:	<input type="text"/>
Street name:	<input type="text"/>		
Suburb:	<input type="text"/>		
State:	<input type="text"/> <input type="text"/> <input type="text"/>	Postcode:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Country:	<input type="text"/>		
Contact name:	<input type="text"/>		
Telephone (business hours):	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
Adviser firm name:	<input type="text"/>		
Dealer group name:	<input type="text"/>		
Dealer Group AFS Licence Number:	<input type="text"/>		

5. Other recipients of client reports

Full name:	<input type="text"/>
Email:	<input type="text"/>
Full name:	<input type="text"/>
Email:	<input type="text"/>
Full name:	<input type="text"/>
Email:	<input type="text"/>

6. Bank account

This will be your primary bank account linked to your investment account.
Please provide your nominated account details in the section below.

Financial Institution Name:	<input type="text"/>		
Branch Name:	<input type="text"/>		
Branch Number (BSB):	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Account Number:	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Account Name:	<input type="text"/>		

Please note the Responsible Entity will not issue cheques for income distributions or withdrawal payments.

Please complete and send to:

Mail: Attention: Unit Registry
 Schroders C/- RBC Dexia Investor Services
 GPO Box 3332
 Melbourne VIC 3001
Fax: +61 2 8262 5460

Application form (cont.)

7. Investment Details

Please specify the investment amount against the corresponding fund in the table below:

	Fund	Beneficiary lodgement code*	Investment amount	Distribution Preference [^]	
				Reinvestment	Bank Deposit
1	Schroder Wholesale Australian Equity Fund	WAE	\$	<input type="checkbox"/>	<input type="checkbox"/>
2	Schroder Australian Smaller Companies Fund	ASC	\$	<input type="checkbox"/>	<input type="checkbox"/>
3	Schroder Global Emerging Markets Fund	GEM	\$	<input type="checkbox"/>	<input type="checkbox"/>
4	Schroder Asia Pacific Fund	APF	\$	<input type="checkbox"/>	<input type="checkbox"/>
5	Schroder Global Smaller Companies Fund	GSC	\$	<input type="checkbox"/>	<input type="checkbox"/>
6	Schroder Global Active Value Fund	GAV	\$	<input type="checkbox"/>	<input type="checkbox"/>
7	Schroder Global Active Value Fund (Hedged)	GVH	\$	<input type="checkbox"/>	<input type="checkbox"/>
8	Schroder Global Quality Fund	GQF	\$	<input type="checkbox"/>	<input type="checkbox"/>
9	Schroder Global Dynamic Blend Fund	GDB	\$	<input type="checkbox"/>	<input type="checkbox"/>
10	Schroder Global Dynamic Blend Fund (Hedged)	GDH	\$	<input type="checkbox"/>	<input type="checkbox"/>
11	Schroder Balanced Fund	SBF	\$	<input type="checkbox"/>	<input type="checkbox"/>
12	Schroder Fixed Income Fund	FIF	\$	<input type="checkbox"/>	<input type="checkbox"/>
13	Schroder Credit Securities Fund	HSF	\$	<input type="checkbox"/>	<input type="checkbox"/>
14	Schroder Real Return Fund Wholesale Class	RRW	\$	<input type="checkbox"/>	<input type="checkbox"/>

The minimum initial investment is \$50,000. The minimum additional investment is \$5,000.

To make a direct deposit, application money can be deposited directly into the following account:

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

Application monies for amounts in excess of \$5 million should be transferred by RTGS and released to Schroders before 12pm on the day of the application to avoid any delays in processing the application.

Please make your cheque payable to: **'Schroder Applications Trust Account No. 1'** and cross **'Not Negotiable'**.

* Please note that the beneficiary lodgement code, as per the table above, should be quoted on the cheque or electronic fund transfer.

[^] If a preference is not indicated, your distribution entitlement will be reinvested as additional units in the Fund. Any cost incurred by Schroders in paying distributions by bank deposit may be payable by the investor.

Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

8. Reporting

Please indicate your preference for contact by ticking the appropriate box. All correspondence is to be emailed to:

Investor Adviser/Consultant Other as specified in 5 above

Please ensure email addresses are provided in the relevant contact section.

9. Annual financial report

If you elect to receive a copy of the Fund's annual report, we are required by law to provide a copy to you free of charge (which will be sent to your specified email address). If you do not elect to receive a copy, then you may access the Annual Report on our website at www.schroders.com.au

Please mark if you would like to receive a copy of the Annual Report each year.

I wish to receive a copy of the Annual Report each year.

10. Declaration and signature (must be completed)

By signing this application the investor acknowledges and confirms that they:

- Are 18 years of age or over (otherwise applications must be made in the name of parent/guardian and signed by parent/guardian).
- Agree to be bound by the provisions of the PDS and the Fund's Constitution (which may be amended from time to time).
- Acknowledge that Schroders reserves the right to refuse an application for units at its discretion.
- Declare that this application was included in, or accompanied by, the PDS dated 1 February 2011, which they have read.
- Acknowledge that neither Schroders nor any other person guarantees the return of capital, or the performance of any Fund.
- Acknowledge that telephone conversations with Schroders may be recorded.
- Authorise Schroders to apply the Tax File Number or Australian Business Number quoted to all investments in the name of the investor.
- Authorise Schroders to disclose information relating to all investments in the name of the investor to any related entities, the adviser/consultant, and anyone acting on Schroders' and/or the adviser/consultant's behalf such as external service suppliers who supply administrative, financial or other services to Schroders and/or the adviser/consultant.
- Confirm that they have the proper authority as detailed in the signatories terms and conditions section of the PDS.
- Are not a politically exposed person.

Continued overleaf

Please complete and send to:

Mail: Attention: Unit Registry
 Schroders C/- RBC Dexia Investor Services
 GPO Box 3332
 Melbourne VIC 3001
Fax: +61 2 8262 5460

Customer identification forms

Customer identification forms In order to comply with the requirements under the 'Anti-Money Laundering and Counter Terrorism Financing Act 2006' (AML/CTF Law), a customer identification form must be completed for all new investors. We will be unable to process your application request if a customer identification form and the requested supporting documents are not provided.

If you are an existing investor and you have previously provided a customer identification form, you will not be required to complete another customer identification form.

How to complete the customer identification forms?

- Identify your customer type in the table below.
- Complete the relevant fields in the relevant customer type identification form.
- Attach a legible certified copy or extract of your identification documents (see definitions below).

Please send the application form to RBC Dexia Investor Services together with the relevant completed identification form and supporting identification documents.

Which customer identification form to use? The information you need to provide depends upon your customer type. You will only need to complete the section(s) of the form that relate(s) to your particular customer type and circumstances, as follows:

Customer type	Identification form to be completed
Individual	Individual and sole trader identification form
Sole trader (a person who is self employed e.g. carpenter)	Individual and sole trader identification form
Trust/Superannuation fund	All trusts and superannuation funds must complete the trust and trustee identification form PLUS either the Australian company trustee or foreign company trustee identification form if the trustee is a company
Australian company	Australian company identification form
Foreign company	Refer to www.schroders.com.au for relevant identification forms.
Partnership	
Government body	
Associations – Incorporated or Unincorporated	
Co-operatives – Unregistered or Registered	

What does 'certified copy' mean? **Certified copy** means a document that has been certified as a true copy of an original document. The certifier should sign the copy document (printing his/her name clearly underneath) and clearly indicate his/her position or capacity together with a contact address and phone number. The certifier must indicate that the document is a true copy of the original and that any photo is a true likeness of the person.

What does 'certified extract' mean? **Certified extract** means an extract that has been certified as a true copy of some of the information contained in a complete original document.

Customer identification forms (cont.)

Who can certify documents or extracts?

People who can **certify** documents or extracts are;
(Italics are added for ease of comprehension)

1. *(a lawyer)* a person who is enrolled on the roll of the Supreme Court of a State or Territory, or High Court of Australia, as a legal practitioner (however described);
 2. a judge of a court;
 3. a magistrate;
 4. a chief executive officer of a Commonwealth court;
 5. a registrar or deputy registrar of a court;
 6. a Justice of Peace;
 7. a notary public (for the purposes of the Statutory Declaration Regulations 1993);
 8. a police officer;
 9. *(a postal agent)* an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
 10. *(the post office)* a permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public;
 11. an Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955);
 12. an officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993);
 13. a finance company officer with 2 or more continuous years of service with one or more financial companies (for the purposes of the Statutory Declaration Regulations 1993);
 14. an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees; and
 15. *(an accountant)* a member of the institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.
-

For the most recent update of persons who can certify documents please refer to our website www.schroders.com.au

Identification form – individual and sole trader

Guide to completing this form

Complete one form for each individual. Complete all applicable sections of this form in **BLOCK LETTERS**.

Name:

Verification procedure

Complete Part I (or if the individual does not own a document from Part I, then complete either Part II or Part III).

Part I – Acceptable Primary ID Documents

Tick Select ONE valid option from this section and provide a certified copy of that document

- Australian State/Territory driver's licence containing a photograph of the person.
- Australian passport (a passport that has expired within the preceding 2 years is acceptable).
- Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person.
- Foreign passport or similar travel document containing a photograph and the signature of the person*.

* Documents that are written in a language that is not English must be accompanied by an English translation provided by an accredited translator.

Part II – Acceptable Secondary ID Documents (only to be completed if the individual does not own a document from Part I)

Tick Select ONE valid option from this section and provide a certified copy of that document

- Australian birth certificate.
- Australian citizenship certificate.
- Pension card issued by Centrelink.
- Health card issued by Centrelink.

Tick AND ONE valid option from this section and provide a certified copy of that document

- A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address.
- A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. Block out the TFN before scanning, copying or storing this document.
- A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).
- If under the age of 18, a notice was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school.

Identification form – individual and sole trader (cont.)

Part III – Acceptable Foreign ID Documents (only to be completed if the individual does not own a document from Part I)

Tick Certified copies of BOTH documents from this section must be provided

- Foreign driver's license that contains a photograph of the person in whose name it is issued and the individual's date of birth.*
- National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*.

* Documents that are written in a language that is not English must be accompanied by an English translation provided by an accredited translator.

Verification documentation

IMPORTANT: Attach a legible certified copy or extract of the ID documentation used to verify the individual (and any required translation).

Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

Identification form – trust and trustee (including superannuation funds)

60

Guide to completing this form

Complete the following in **BLOCK LETTERS**, and send only the completed sections of this form with the application form.

- Complete one of the following sections:
 - Section 1 (applicable parts) if selected trustee is an individual
 - If your trustee is an Australian company please also complete the Australian company identification form
 - If your trustee is a foreign company please refer to www.schroders.com.au for a foreign company trustees identification form
- Section 2 (applicable parts) – all trusts

Section 1: Trustee details

1.1 Individual trustee details (Only complete if trustee is an individual)

How many trustees are there?

Provide full name and residential address of each trustee (PO BOX is not acceptable):

Trustee 1

Full given name(s):

Surname:

Date of birth: / /

Unit number/Level: Street number:

Street name:

Suburb/City or Town:

State: Postcode:

Country of residence:

Trustee 2

Full given name(s):

Surname:

Date of birth: / /

Unit number/Level: Street number:

Street name:

Suburb/City or Town:

State: Postcode:

Country of residence:

If there are more trustees, provide details on a separate sheet.

1.2 Corporate Trustee details

If the trustee is an Australian company you must complete the identification form – Australian company on page 63.

Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

2.5 Individual trustee verification procedure (Only complete if 'Other trust type' is selected in section 2.2 above AND the trustee is an individual). Provide a certified copy of either:

Part I – Acceptable Primary ID Documents

Tick ONE valid option from this section

- Australian State/Territory driver's licence containing a photograph of the person.
- Australian passport (a passport that has expired within the preceding 2 years is acceptable).
- Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person.
- Foreign passport or similar travel document containing a photograph and the signature of the person*.

* Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

Part II – Acceptable Secondary ID Documents

(Should only be completed if the individual does not own a document from Part I)

Tick Select ONE valid option from this section

- Australian birth certificate
- Australian citizenship certificate
- Pension card issued by Centrelink
- Health card issued by Centrelink

Tick AND ONE valid option from this section

- A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address.
- A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. Block out the TFN before scanning, copying or storing this document.
- A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).

Part III – Acceptable Foreign ID Documents

(Should only be completed if the individual does not own a document from Part I)

Tick BOTH documents from this section must be presented

- Foreign driver's licence that contains a photograph of the person in whose name it is issued and the individual's date of birth.*
- National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*.

* Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

If the selected trustee is an individual, the form is now COMPLETE.

If the selected trustee is an Australian company you must also complete the identification form for Australian companies on page 63.

Please complete and send to:

Mail: Attention: Unit Registry
Schroders C/- RBC Dexia Investor Services
GPO Box 3332
Melbourne VIC 3001
Fax: +61 2 8262 5460

Section 1B: Shareholders

(Only needs to be completed for proprietary companies that are not regulated companies as selected in section 1.2).

Provide details of **ALL individuals who** are beneficial owners through one or more shareholdings of more than 25% of the company's issued capital.

Shareholder 1

Title:

Full given name(s): Surname:

Unit number/Level: Street number:

Street name:

Suburb/City or Town:

State: Postcode: Country:

Shareholder 2

Title:

Full given name(s): Surname:

Unit number/Level: Street number:

Street name:

Suburb/City or Town:

State: Postcode: Country:

Shareholder 3

Title:

Full given name(s): Surname:

Unit number/Level: Street number:

Street name:

Suburb/City or Town:

State: Postcode: Country:

Shareholder 4

Title:

Full given name(s): Surname:

Unit number/Level: Street number:

Street name:

Suburb/City or Town:

State: Postcode: Country:



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Schroders

Financial Services Guide

Dated 1 February 2011

The purpose of this Financial Services Guide (FSG) is to provide you with key information about Schroder Investment Management Australia Limited (“Schroders”) so that you can decide whether or not you want to use Schroders’ financial services

This FSG contains important information about:

- the services Schroders can offer you;
- how Schroders and its associates are remunerated;
- Schroders’ internal and external dispute resolution procedures and how you can access them.

If Schroders recommends that you acquire a financial product or Schroders offers to issue a financial product to you, Schroders will provide you with a document called a Product Disclosure Statement (PDS). To invest in any of our financial products you must complete the application form attached to the relevant PDS. The purpose of a PDS is to assist you in deciding whether or not to acquire that particular financial product. The PDS contains information about the financial product such as its significant benefits and risks.

Who is Schroders?

The financial services described in this FSG are provided by:
Schroder Investment Management Australia Limited
ABN 22 000 443 274
Australian Financial Services Licence Number 226473

Schroders is responsible for the financial services it provides to you under its Australian financial services licence.

Schroders offers a range of investment products and is part of the Schroders Group which as at 30 September 2010 managed investment assets of approximately A\$295 billion worldwide. The Schroders Group is one of the largest and most internationally diverse independent investment managers providing investment management, research and marketing services from offices located in 25 countries. While many financial institutions try to provide all things to their clients, we specialise in just one – pure investment management.

In Australia, Schroders is a wholly owned subsidiary of Schroders plc, a publicly listed UK company descending from a group that can trace its origins in banking and finance back over 200 years. Schroders’ presence in Australia dates back to 1961 and we manage investment assets of A\$23.4 billion as at 30 November 2010 across a broad range of asset classes.

Schroders contact details

Street Address: Level 20 Angel Place
123 Pitt Street
Sydney NSW 2000

Or

Postal Address: GPO Box 5059, Sydney NSW 2001
Telephone: (02) 9210 9200
Facsimile: (02) 9231 1137
Email: simal@schroders.com
Internet: www.schroders.com.au

How can you conduct business with us?

The PDS for each product outlines its administration procedures and processes. Please refer to the relevant PDS for detailed information on how a product is administered.

You can give us instructions by mail or fax depending on the nature of the instruction. Some products may have their own rules about how to provide instructions or carry out certain transactions. Please refer to your PDS for these details.

Financial Services offered by Schroders

Schroders is authorised to offer you the following financial services:

- provide financial product advice; and
- deal in a financial product, in relation to deposit and payment products, derivatives, foreign exchange contracts, government debentures, stocks or bonds, interests in managed investment schemes, securities and superannuation, and
- operate registered managed investment schemes which hold derivatives and financial assets; and
- provide custodial or depository services other than investor directed portfolio services.

We are not licensed to provide you with personal financial advice. Our staff can only provide you with factual information and in some circumstances may provide general financial product advice. Our staff do not take your personal circumstances into consideration when providing general product advice. If you require personal financial product advice that takes into account your objectives, financial situation and needs, you will need to contact a financial adviser.

How are we remunerated for the services we provide?

Schroders earns a fee from the various managed investment schemes for which Schroders is the product issuer. Fees may include entry fees and management fees which are calculated by reference to your investment in the schemes. In some situations, exit fees, account fees, performance fees and transaction fees may apply. Those fees may be calculated based on your investment in the schemes or by the performance of your investment or they may be a fixed amount which is applied on a per transaction basis. The fees you pay, and any benefits we receive, for each product we offer are set out in the relevant PDS for each scheme on offer.

You may request particulars of the remuneration or other benefits, however you must request the particulars within a reasonable time after being given the FSG and before any financial service identified in the FSG is provided.

We do not charge you any additional fees for any advice you receive from us. However, your financial planner may charge you fees for providing financial product advice. This will be set out in the separate FSG and/or statement of advice (SOA) you will receive from your financial planner.

What commissions, fees or other benefits are received?

Employees of Schroders who give you advice do not receive specific payments or commissions for the giving of that advice. These employees and our directors receive salaries, bonuses and other benefits from us. Bonus payments and other benefits are discretionary, and based on achievement of pre-determined objectives.

As a member of the Investment & Financial Services Association, 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.

Privacy

We understand that most individuals are concerned about the protection of their personal information. The privacy of your personal information is therefore important to Schroders. We do not generally collect personal information about you. However, where Schroders does collect such information, so that we may provide you with the financial product(s) and associated service(s) you request as well as information on other products offered by Schroders, in most cases you can gain access to your personal information.

If you have any concerns about the completeness or accuracy of the information Schroders may have about you or would like to access your information, you can contact Schroders on (02) 9210 9200 or in writing to the postal or e-mail addresses set out in this FSG. If you would like a copy of our Privacy Policy Statement, visit Schroders' website at www.schroders.com.au.

Compensation and insurance arrangements

Pursuant to s912B of the Corporations Act, Schroders maintains adequate professional indemnity insurance to cover the financial services provided by Schroders Group entities and its employees, including employees who no longer work for Schroders but who were employed at the time conduct occurred giving rise to a claim for compensation.

Dispute resolution

Schroders has procedures in place for dealing with complaints. We will seek to acknowledge receipt of your complaint in writing as soon as reasonably practicable and in any event within 14 days from receipt, and address your complaint within 45 days. If Schroders has not addressed your complaint, or if you are not satisfied, you can refer your complaint to the independent complaints resolution body, Financial Ombudsman Service Limited ABN 67 131 124 448 (FOS), of whom Schroders is a member.

Investors with enquiries should contact Schroders. Notification of any complaint should be made in writing addressed to:

Manager Client Services
Schroder Investment Management Australia Limited
GPO Box 5059
Sydney NSW 2001

If your complaint remains unresolved, you may contact FOS at GPO Box 3, Melbourne VIC 3001, or call 1300 780 808 or fax (03) 9613 6399.

This service is provided to you free of charge.