
SCHRODER ASIAN BALANCED FUND

PROSPECTUS

This Prospectus dated 19 January 2012 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act, Chapter 289 of Singapore and replaces the previous prospectus registered by the Monetary Authority of Singapore on 29 July 2011, as amended by the supplementary prospectus dated 30 September 2011.

SCHRODER ASIAN BALANCED FUND

Directory

Managers

Schroder Investment Management (Singapore) Ltd
65 Chulia Street #46-00
OCBC Centre
Singapore 049513
(Company Registration Number: 199201080H)

Board of Directors of the Managers

Susan Soh Shin Yann
Tham Ee Mern Lilian
Tan Jui Tong
Gwee Siew Ping

Trustee

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay, #14-01
HSBC Building
Singapore 049320
(Company Registration Number: 194900022R)

Auditors

PricewaterhouseCoopers LLP
8 Cross Street #17-00
PWC Building
Singapore 048424

Solicitors to the Manager

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Solicitors to the Trustee

Shook Lin & Bok LLP
1 Robinson Road #18-00
AIA Tower
Singapore 048542

SCHRODER ASIAN BALANCED FUND

Important Information

Schroder Investment Management (Singapore) Ltd, the managers (the “**Managers**”) of the Schroder Asian Balanced Fund (the “**Trust**”), accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement herein misleading in any material respect.

Investors should refer to the relevant provisions of the 10th Amended and Restated Deed relating to the Trust (the “**Deed**”) and obtain professional advice in the event of any doubt or ambiguity relating thereto. A copy of the Deed is available for inspection at the Managers’ office at all times during usual business hours (subject to such reasonable restrictions as the Managers may impose).

The Trust invests into the Strategic Solutions – Schroder Asian Diversified Growth Fund (the “**Underlying Fund**”), one of the sub-funds in the open-ended investment company Strategic Solutions, incorporated in Luxembourg. The Strategic Solutions was on 14 April 2005 converted from a fund under the UCITS I regime into a fund under the Luxembourg Law of 20 December 2002 and falls under the UCITS III regime. **As at the date of registration of this Prospectus, the Underlying Fund may invest in financial derivative instruments (“FDIs”) for purposes other than hedging and/or efficient portfolio management in accordance with the Strategic Solutions’ Luxembourg Prospectus and applicable laws in Luxembourg. Please refer to sub-paragraph 8.3 of this Prospectus for more information.**

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units as contemplated herein. All capitalised terms and expressions used in this Prospectus shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed. To reflect material changes, this Prospectus may be updated, amended, supplemented or replaced from time to time and investors should investigate whether any more recent Prospectus is available.

Investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange transactions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to them. Investors should also consider the risks of investing in the Trust as set out in paragraph 8 of this Prospectus.

No application has been made for the Units to be listed on any stock exchange. There is no secondary market for the Trust. Units in the Trust can be purchased from or sold through the Managers or any agent or distributor appointed by the Managers in accordance with the provisions of the Deed.

As the Trust is not registered under the United States Securities Act of 1933 (the “**Securities Act**”) or under the securities laws of any state of the United States of America (“**US**”), the Trust may not be offered or sold to or for the account of any US Person (as defined in Rule 902 of Regulation S under the Securities Act).

Rule 902 of Regulation S under the Securities Act defines a US Person to include, inter alia, any natural person resident in the US and with regard to investors other than individuals (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust; and (iii) an estate: (a) which is subject to US tax on its worldwide income from all sources or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term “US Person” also means any entity organised principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by “accredited investors” (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

If you are in doubt as to your status, you should consult your financial or other professional adviser.

No person, other than the Managers, has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, subscription or sale of Units other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Managers.

All enquiries relating to the Trust should be directed to the Managers, Schroder Investment Management (Singapore) Ltd, or any agent or distributor appointed by the Managers.

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SCHRODER ASIAN BALANCED FUND

The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289, of Singapore (“SFA”). A copy of the Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the collective investment scheme.

1. BASIC INFORMATION

1.1 **Name of fund** : SCHRODER ASIAN BALANCED FUND
(the “Trust”)

The Trust is an authorised scheme constituted in Singapore.

1.2 Date of registration and expiry date of Prospectus

This Prospectus is a replacement prospectus lodged with the Authority on 19 January 2012. It replaces the prospectus that was registered by the Authority on 29 July 2011 (the “Registered Prospectus”), as amended by the supplementary prospectus dated 30 September 2011, and shall be valid for 12 months after the date of registration of the Registered Prospectus (i.e., up to and including 28 July 2012) and shall expire on 29 July 2012.

1.3 Trust Deed and Supplemental Deeds

The original Trust Deed, the Supplemental Deeds and the Amended and Restated Deeds (the original Trust Deed as modified by the Supplemental Deeds and the Amended and Restated Deeds is hereinafter referred to as the “Deed”), entered into between Schroder Investment Management (Singapore) Ltd (the “Managers”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”) are as follows:-

<u>Document</u>	<u>Date of document</u>
Trust Deed	25 March 1994
1 st Supplemental Deed	3 May 1995
2 nd Supplemental Deed	2 February 1998
3 rd Supplemental Deed	30 September 1998
4 th Supplemental Deed	30 March 1999
5 th Supplemental Deed	26 March 2001
6 th Supplemental Deed	26 March 2002

1 st Amended and Restated Deed	26 March 2003
2 nd Amended and Restated Deed	1 July 2003
3 rd Amended and Restated Deed	27 August 2004
4 th Amended and Restated Deed	30 August 2005
5 th Amended and Restated Deed	30 August 2006
6 th Amended and Restated Deed	30 August 2007
7 th Amended and Restated Deed	31 July 2009
8 th Amended and Restated Deed	30 July 2010
9 th Amended and Restated Deed	29 July 2011
10 th Amended and Restated Deed	30 September 2011
First Supplemental Deed	19 January 2012

The terms and conditions of the Deed shall be binding on each Holder and persons claiming through such Holder as if such Holder had been party to the Deed.

A copy of the Deed may be inspected at the Managers' registered office during usual business hours (subject to such reasonable restrictions as the Managers may impose) at 65 Chulia Street #46-00 OCBC Centre Singapore 049513. A fee of up to S\$25 may be imposed by the Managers for each copy of the Deed requested.

1.4 Reports and Accounts

Copies of the latest annual and semi-annual Accounts, auditor's report on the annual Accounts and annual and semi-annual reports relating to the Trust may be obtained at the Managers' registered office. Please refer to paragraph 18 of this Prospectus for details of the Accounts and reports of the Trust.

2. THE MANAGERS

2.1 Name and address of the Managers

The Managers of the Trust are Schroder Investment Management (Singapore) Ltd, whose registered office is at 65 Chulia Street, #46-00, OCBC Centre, Singapore 049513.

The investment manager of the Strategic Solutions – Schroder Asian Diversified Growth Fund (the “**Underlying Fund**”) is Schroder Investment Management (Hong Kong) Limited (“**SIMHK**”).

2.2 Managers' track record

The Managers were incorporated in Singapore in 1992 and have been managing collective investment schemes and discretionary funds since 1992.

The Managers are part of the Schroder group (“**Schroders**”). Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s.

Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959.

Schroders aims to apply its specialist asset management skills in serving the needs of its clients worldwide, through its large networks of offices of any dedicated asset management company, and over 300 portfolio managers and analysts covering the world's investment markets, they offer their clients a comprehensive range of products and services.

SIMHK is domiciled in Hong Kong SAR and has been managing collective investment schemes and discretionary funds in Hong Kong SAR, for almost 40 years and is a part of Schroders.

The Managers and SIMHK are wholly-owned subsidiaries of Schroders Plc.

Past performance of the Managers and SIMHK is not necessarily indicative of their future performance.

3. THE TRUSTEE AND CUSTODIAN

- 3.1** The Trustee and custodian of the Trust is HSBC Institutional Trust Services (Singapore) Limited whose registered office is at 21 Collyer Quay, #14-01 HSBC Building, Singapore 049320.

4. OTHER PARTIES

4.1 Registrar

Prior to 31 October 2011, the registrar for the Trust is RBC Dexia Trust Services Singapore Limited. The register of Holders (the "**Register**") can be inspected at 20 Cecil Street, #28-01 Equity Plaza, Singapore 049705 during usual business hours subject to such reasonable closure of the Register and such restrictions as the Managers or the Trustee may impose.

With effect from 31 October 2011, the registrar for the Trust will be Schroder Investment Management (Luxembourg) S.A. ("**SIMLUX**"). SIMLUX will in turn delegate its duties in relation to the Register to Schroder Investment Management (Hong Kong) Limited. The Register may be inspected at 65 Chulia Street, #46-00 OCBC Centre, Singapore 049513 during usual business hours subject to such reasonable closure of the Register and such restrictions as the Managers or the Trustee may impose.

The Register is conclusive evidence of the number of Units held by each Holder.

4.2 Auditors

The auditors of the Trust are PricewaterhouseCoopers LLP whose registered office is at 8 Cross Street, #17-00 PWC Building, Singapore 048424.

5. STRUCTURE OF THE TRUST

- 5.1** The Trust is structured as a Singapore-authorized stand-alone Feeder Fund.

Classes of Units

The Managers may establish Classes of Units within the Trust. Different Classes within the Trust have different features. Where a new Class is established, the Managers may at their discretion re-designate any existing Class as long as there is no prejudice to existing Holders of such Class.

Currently, the Managers are offering 2 Classes of Units in the Trust, namely Class A Units and Class B Units. Both Classes will constitute the Trust and are not separate sub-funds under the Trust. Class A Units carry a Preliminary Charge but will not have a Distribution Charge. Class B Units carry a Distribution Charge but will not have a Preliminary Charge. Any expense, income and/or gain which is attributable to a particular Class shall be deducted from or added to (as the case may be) the value of the Trust which is attributable to that Class.

6. INVESTMENT OBJECTIVE AND POLICY

6.1 Investment objective and policy / product suitability

The investment objective of the Trust is to achieve long-term capital appreciation by investing all or substantially all of the assets of the Trust into the Underlying Fund, whose investment objective is to provide a total return, primarily through investment in Investment Funds (including exchange traded funds) investing in equity, debt securities, and liquidities, as well as investment directly in those types of assets and/or through FDIs. In addition, the Underlying Fund may seek exposure to each of real estate, commodities and other real assets mainly through, but not limited to, investment in real estate and commodity related transferable securities (including REITs), FDIs on financial indices and Investment Funds (including exchange traded funds and closed ended funds) which invest in such asset classes.

The Trust is suitable for investors who:

- seek long-term capital growth; and
- understand the risk associated with investing in equities, debt securities, and liquidities, as well as investments directly into these assets and/or through financial derivatives.

Investors should consult their financial advisers if in doubt as to whether the Trust is suitable for them.

6.2 The Underlying Fund is one of the sub-funds in the Strategic Solutions, an open-ended investment company incorporated in Luxembourg. The Strategic Solutions was on 14 April 2005 converted from a fund under the UCITS I regime into a fund under the Luxembourg Law of 20 December 2002 and falls under the UCITS III regime.

6.3 Investment approach

Unlike traditional balanced funds that focus on tactically allocating between defensive and growth assets, the investment manager of the Underlying Fund recognizes that there is a range of other assets that can contribute to a combination of better returns and lower risk

in a portfolio. These asset classes are included in the investible universe to create a truly diversified portfolio that can withstand changes to the investment environment.

Additionally, the Underlying Fund follows an unconstrained approach compared to traditional balanced funds which are benchmark constrained (i.e. the Underlying Fund is not managed to industry benchmarks and/or peer groups), thereby allowing the investment manager of the Underlying Fund to dynamically allocate to asset classes that offer the best risk and return opportunities. Different asset classes perform differently at various times in the economic and market cycle, and by adopting a dynamic approach to asset allocation, the potential in achieving the Underlying Fund's return objectives is maximized.

7. FEES AND CHARGES

7.1 Table of fees

Fees payable by the Holder:

	Class A Units	Class B Units
Preliminary Charge* (initial sales charge)	Currently 5% of the Gross Investment Sum (maximum 5%)	Nil
Realisation Charge	Nil	Nil
Switching Fee**	Currently 1% (maximum of 1% and minimum of S\$5)	

* The Preliminary Charge is paid to the distributor and/or the Managers.

** The Switching Fee applies to switching of Class A Units and Class B Units of the Trust to class A units and class B units respectively of another unit trust managed, or any other collective investment scheme made available for investment, by the Managers.

Fees payable by the Trust:

Management Fee	Currently nil (maximum 1.5% per annum)
Trustee Fee	Currently not more than 0.05% per annum (currently not subject to any minimum amount) Maximum 0.25% per annum (subject to a minimum of S\$10,000.00 per annum)
Distribution Charge (Class B Units only)	Currently 0.5% per annum (maximum 0.6% per annum) of the net asset value ("NAV") of the Deposited Property attributable to Class B Units

Fees applicable at the Underlying Fund level[#] and payable by the Trust:

Management Fee	1.50% per annum
Custody Fee	Up to 0.5% per annum

Administration Fee	Up to 0.4% per annum
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The fees at the Underlying Fund level are each expressed as a percentage per annum of the Underlying Fund's assets. No preliminary charge or realisation charge is imposed at the Underlying Fund level.

Some distributors may charge other fees which are not listed in this Prospectus, and investors should check with the relevant distributor on whether there are any other fees payable to the distributor.

8. RISKS

8.1 General risks

As the Trust will feed into the Underlying Fund, investments into the Trust will be subject to different degrees of economic, political, foreign exchange, interest rate, liquidity, credit, regulatory and possible repatriation risks depending on the countries that the Underlying Fund invests into or have exposure to.

Investors should be aware that the price of Units can go down as well as up and that past performance is not necessarily a guide to the future performance of the Trust. In addition, investors should be aware that the value of the Trust and its distributions (if any) may rise or fall. Investments in the Trust are designed to produce returns over the long-term and are not suitable for short-term speculation.

While the Managers believe that the Trust offers potential for capital appreciation, no assurance can be given that this objective will be achieved. Investors should also note that they may not get back their original investment.

8.2 Specific risks

8.2.1 Market Risk

The value of investments by the Trust may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

In addition, there are risks involved when investing in Asian markets, of a nature not generally encountered when investing in securities traded on major international markets. For example:

- (i) government approval may be required to remove capital or profits from the country (or there may be other restrictions causing illiquidity) which may cause delays in or restrictions on removing monies and may impact on the amount of cash available to meet realisations for Units in the Trust or the ability of the Managers to manage their exposure to that market;
- (ii) managing currency risks in the developing markets may be more difficult due to the illiquidity of the local currency market or certain regulatory restrictions;
- (iii) the developing markets may experience periodic social and political unrest which can disrupt financial markets;

- (iv) where the developing market relies on foreign capital inflows to fund development, withdrawal of foreign capital during periods of uncertainty can cause financial market weakness; and
- (v) reporting standards applicable in a developing market may be less demanding, which may result in less complete information being available when making investments.

8.2.2 Equity Risk

The Trust may invest in stocks and other equity securities and their derivatives which are subject to market risks that historically have resulted in greater price volatility than that experienced by bonds and other fixed income securities.

8.2.3 Foreign Securities Risk

Investments in securities throughout the world are subject to numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental laws or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities of companies or governments of some countries may be illiquid and their prices volatile and, with respect to certain countries, the possibility exists of expropriation, nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds or other assets, including withholding of dividends. Some of the Trust's securities may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the value of securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses.

8.3 Currency Risks

The assets and liabilities of the Trust may be denominated in currencies other than the Singapore dollar and the Trust may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Singapore dollar and such other currencies. If the currency in which a security is denominated appreciates against the Singapore dollar, the value of the security would increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security. The Managers may manage the currency risks by hedging through forward currency contracts, currency futures, currency swap agreements or currency options.

8.4 FDIs

8.4.1 Use of FDIs

As at the date of registration of this Prospectus, the Trust may invest in FDIs for the purposes of hedging and/or efficient portfolio management. Where such FDIs are FDIs on commodities, such transactions shall be settled in cash at all times.

As at the date of registration of this Prospectus, the Underlying Fund may invest in FDIs for purposes other than hedging and/or efficient portfolio management in accordance with the Strategic Solutions' Luxembourg Prospectus and the limits and conditions on the use of FDIs under applicable laws in Luxembourg.

8.4.2 Types of FDIs

The FDIs which may be used by the Trust and the Underlying Fund include, but are not limited to, options on securities, stock index options, forward currency contracts, currency futures, currency swap agreements, currency options, interest rate futures or options or interest rate swaps, financial or index futures, over-the-counter (OTC) options, credit default swaps, equity swaps, total return swaps, credit linked notes, equity linked notes or futures or options on any kind of financial instrument.

The Underlying Fund may also enter into volatility futures and options transactions traded on a regulated market. These instruments measure market expectations of near term implied volatility conveyed by stock index prices and are used to hedge volatility within funds. Any such index has to meet the following requirements:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner

8.4.3 Exposure to FDIs

The global exposure of the Trust to FDIs or embedded FDIs will not exceed 100% of the NAV of the Trust at all times (or such percentage as may be permitted under the Code). Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.

The global exposure of the Underlying Fund to FDIs will not exceed the total net assets of the Underlying Fund. The Underlying Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings¹ so that it may not exceed 210% of the Underlying Fund's total net assets under any circumstances.

In respect of each FDI, the commitment will be quantified by using a commitment approach. This means that the market risk will be calculated by measuring the underlying exposure of the derivative positions of the Underlying Fund by notionally converting these into its underlying assets.

¹ The Strategic Solutions may not borrow for the account of any sub-fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the sub-fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.

8.4.4 Risks on use of FDIs

The use of FDIs involves increased risks. The ability to use such instruments successfully depends on the Managers' and/or the investment manager of the Underlying Fund's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Managers' and/or the investment manager of the Underlying Fund's predictions are wrong, or if the derivatives do not work as anticipated, the Trust could suffer greater losses than if the Trust and/or the Underlying Fund had not used the derivatives. If the Trust and/or the Underlying Fund invest in OTC derivatives, there is an increased risk that a counterparty may fail to honour its contract.

In the event the Managers and/or the investment manager of the Underlying Fund use such instruments, they are of the view that they have the necessary expertise to control and manage the use of derivatives. The investment manager of the Underlying Fund would also normally monitor and control the investments in derivatives with regular mark-to-market valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions set out in the Strategic Solutions' Luxembourg Prospectus with regard to derivatives.

8.5 Risk Management and Compliance Controls

The Schroder group, being the group of companies to which the Managers belong, has established a Group Derivatives Committee (the "**Committee**") which assumes responsibility for identifying and overseeing the management of the key operational risks faced by the Schroder group from the use of derivatives. The Committee also approves, communicates and assesses the adequacy and effectiveness of the derivative risk management framework, and will escalate significant issues relating to derivatives to key stakeholders.

The Committee reviews and approves funds using derivatives and new derivative instruments to ensure that the key operational risks have been identified and mitigated before the launch of the fund or execution of the instrument, and is responsible for the policy on new instruments. After approval by the Committee, new derivative instruments are recorded in a derivative-instruments register. This process is designed to ensure that new derivative instruments are assessed prior to investment by the funds to ensure that the Managers have the appropriate processes and controls in place to mitigate operational, investment and credit risks.

The Managers' fund managers have primary responsibility for ensuring that derivative transactions are consistent with the investment objective of a fund. Derivative positions are monitored to ensure that derivative usage is consistent with a fund's investment objectives and in line with the way a fund is offered. Funds are categorised by their performance/risk profiles and risk-related parameters are set for each fund category. The risk-related parameters are monitored by independent product managers, assisted by an investment risk team, and exceptions are investigated and resolved.

The Managers' fund managers are required to liaise with the risk or compliance team to agree on how the derivative investments should be monitored and to clarify any uncertainty in relation to the interpretation of rules or monitoring requirements prior to investing or as soon as the uncertainty arises. The risk or compliance team is responsible for performing independent compliance monitoring of investment restrictions. The risk or compliance team ensures that the fund managers are made aware of changes to regulations, including those in relation to derivatives usage. The Managers have a system in place to monitor investment restrictions. Where the system does not have the capability to monitor a particular instrument or restriction, the monitoring process is supplemented either by in-house or external systems and/or manual processes.

The Managers will also ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to control and manage the risks relating to the use of FDIs.

At the written request of an investor, the Managers will procure that supplementary information relating to the Underlying Fund's risk management process employed by the Underlying Fund to measure and manage the risks associated with the use of FDIs and the investments of the Underlying Fund is provided to such investor, except for any information which the investment manager or the directors of the Strategic Solutions may deem sensitive or confidential in nature or information which if disclosed, would not be in the interest of investors of the Underlying Fund generally. The information to be disclosed shall be similar to that which is required to be disclosed under applicable laws and regulations in Luxembourg to investors.

The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Trust.

9. SUBSCRIPTION/CANCELLATION OF UNITS

9.1 How to purchase Units

Investors may apply for Units of any Class from the Managers or their appointed distributors using cash and SRS Contributions, subject to any restrictions from time to time imposed on applications using SRS Contributions by any applicable authority. Investors should contact the Managers or the relevant distributors for more information on the availability of subscriptions using SRS Contributions.

For subscriptions using SRS Contributions, investors must complete the application form provided by the Managers or any distributor appointed by the Managers. The Managers will obtain the subscription monies from an investor's account maintained with the relevant SRS Operator in respect of subscriptions using SRS Contributions.

For subscriptions using cash, investors must complete the application form provided by the Managers or any distributor appointed by the Managers. All applications must be accompanied with a cheque for the application monies.

For first time investors with Schrodgers, a copy of the investor's Identity Card or passport should be sent to the Managers.

9.2 Minimum initial and subsequent investment

Minimum Initial Investment for each Class	S\$1,000
Minimum Subsequent Investment for each Class	S\$500

9.3 Issue price

The issue price per Unit of each Class of the Trust on each Dealing Day shall be an amount equal to the NAV per Unit of such Class of the Trust as at the Valuation Point calculated in accordance with Clause 10(B) of the Deed. The Managers may, subject to the prior approval of the Trustee, change the method of determining the issue price and the Trustee shall determine if the Holders should be informed of such change.

9.4 Dealing Deadline and pricing basis

Units are priced on a forward basis. This means that the issue price for Units purchased is determined after the Dealing Deadline on each Dealing Day.

The Dealing Deadline is 5 p.m. on each Dealing Day (or such other time as may be agreed between the Managers and the Trustee). For example, if you purchase Units on or before 5 p.m. on a Dealing Day, the price you pay will be based on the issue price of the Units of that Dealing Day. If you purchase Units after 5 p.m. on a Dealing Day, the price you pay will be based on the issue price of the Units of the next Dealing Day. The issue price of Units in the Trust or in a Class of the Trust for any Dealing Day is always calculated on the next Dealing Day.

9.5 How Units are issued

The number of Units ((prior to 31 October 2011) truncated at 2 decimal places and (with effect from 31 October 2011) rounded to the nearest 2 decimal places) to be issued is calculated by dividing the Net Investment Sum by the issue price for the relevant Class of the Trust.

The Net Investment Sum is derived by deducting the relevant Preliminary Charge (for Class A Units only) and Duties and Charges (if any) from an applicant's Gross Investment Sum.

An example of the number of Units an investor will receive with an investment of S\$1,000 in respect of Class A Units and Class B Units is as follows:-

Class A Units[#]

Gross Investment Sum	-	(Preliminary Charge	x	Gross Investment Sum)	=	Net Investment Sum
S\$1,000.00	-	(5%	x	S\$1,000.00)	=	S\$950.00

Net Investment Sum	/	Notional issue price (NAV per Unit of Class A Units)	=	Number of Class A Units allotted
S\$950.00	/	S\$1.000*	=	950.00 Units

Assuming that a Preliminary Charge of 5% is imposed and that there are no Duties and Charges payable for Class A Units.

* Notional issue price used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Trust.

Class B Units[#]

Gross Investment Sum	/	Notional issue price (NAV per Unit of Class B Units)	=	Number of Class B Units allotted
S\$1,000.00	/	S\$1.000*	=	1000.00 Units

Assuming that no Preliminary Charge and no Duties and Charges are payable for Class B Units.

* Notional issue price used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Trust.

For Class A Units, the Managers may on any day differentiate between applicants as to the amount of the Preliminary Charge and may on any day of the issue of Units allow any applicants a discount on the Preliminary Charge, in accordance with the provisions of the Deed.

9.6 Confirmation of purchase

A statement of account is normally issued within ten (10) Business Days from the date of receipt of the application form and subscription monies by the Managers.

9.7 Cancellation of subscription of Units by Investors

Subject to the provisions of the Deed and to the Managers' terms and conditions for cancellation of subscription of Units in the cancellation form provided together with the application form for Units, a first time investor shall have the right by notice in writing delivered to the Managers or their appointed distributors to cancel his subscription for Units in the Trust within 7 calendar days (or such longer period as may be agreed between the Managers and the Trustee) from the date of his initial subscription. However, he will have to take the risk for any price changes in the NAV of the Trust since the time of his subscription.

Investors should refer to the terms and conditions for cancellation of subscription attached to the cancellation form before purchasing Units in the Trust.

10. MONTHLY INVESTMENT PLAN

10.1 The Managers may from time to time at their sole discretion offer a Monthly Investment Plan ("MIP") for the Trust. Where a Holder is a member of a MIP, the Minimum Monthly Investment is S\$100 Provided That the Holder has invested the Minimum Initial Investment (as set out in sub-paragraph 9.2 of this Prospectus).

Purchases of Units under the MIP may be made through (a) GIRO (for Cash Units) or (b) SRS Contributions (for SRS Units), subject to any restrictions imposed from time to time on applications using GIRO or SRS Contributions by any applicable authority. Holders should

contact the Managers or the relevant distributors for more information. Under the MIP (i) subscription monies are deducted on the 12th day of each month under GIRO and (ii) subscription applications are submitted to the SRS Operator on the Business Day following the 15th day of each month in respect of SRS Contributions. Units are allotted as at the 15th day of each month (or the next Business Day if the 15th day is not a Business Day), subject to receipt of cleared funds from the Holders' GIRO account or SRS Operator (as the case may be) thereafter.

- 10.2** A Holder shall be entitled to cease participating in such a MIP by giving thirty (30) days' written notice to the Managers, without incurring any penalty as a result of such cessation.

11. REALISATION OF UNITS

11.1 How to realise Units

A Holder may at any time during the life of the Trust make a request in writing (a "Realisation Request") for the realisation of all or any Units held by him of the Classes of the Trust, subject to the Minimum Holding requirement in sub-paragraph 11.2 of this Prospectus. The Realisation Request must specify the Units in the Class of the Trust to be realised.

Such realisation may be effected by purchase by the Managers (and shall be so effected if the Realisation Request so specifies) or by the cancellation of the Units and the payment of the Realisation Price out of the Deposited Property or partly one and partly the other.

11.2 Minimum Holding and Minimum Realisation Amount

The Minimum Holding of Units for each Class of the Trust is 100 Units. A Holder shall not be entitled to realise part of his holding of Units without the approval of the Managers and the Trustee if, as a result of such realisation of Units, his holding would be reduced to less than the Minimum Holding for the Class of the Trust. Unless the Managers in any particular case, or generally otherwise agree, a Holder shall not be entitled to realise Units other than in amounts of 100 Units and above.

11.3 Dealing Deadline and pricing basis

Units are priced on a forward basis. This means that the Realisation Price for Units realised is determined after the Dealing Deadline on each Dealing Day.

The Dealing Deadline is 5 p.m. on each Dealing Day (or such other time as may be agreed between the Managers and the Trustee). For example, if you realise Units on or before 5 p.m. on a Dealing Day, the realisation proceeds you will receive will be based on the Realisation Price of the Units of that Dealing Day. If you realise Units after 5 p.m. on a Dealing Day, the realisation proceeds you will receive will be based on the Realisation Price of the Units on the next Dealing Day. The Realisation Price for any Dealing Day is always calculated on the next Dealing Day.

11.4 How the realisation proceeds are calculated

The Realisation Price per Unit of any Class of the Trust on each Dealing Day shall be an amount equal to the NAV per Unit of such Class as at the Valuation Point calculated in

accordance with Clause 12(F) of the Deed. The Managers may, subject to the prior approval of the Trustee, change the method of determining the Realisation Price and the Trustee shall determine if Holders should be informed of such change. No Realisation Charge is imposed by the Managers for both Classes.

The realisation proceeds paid to a Holder will be the Realisation Price per Unit of the relevant Class multiplied by the number of Units realised, less any applicable Duties and Charges. An example of the realisation proceeds a Holder will receive from realising 1000 Units is as follows:-

Class A Units[#]

Number of Units realised	X	Notional Realisation Price (NAV per Unit of Class A Units)	=	Realisation Proceeds
1000 Units	X	S\$1.100*	=	S\$1,100.00

[#] Assuming that there are no Duties and Charges payable for Class A Units.

* Notional Realisation Price used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Trust.

Class B Units[#]

Number of Units realised	X	Notional Realisation Price (NAV per Unit of Class B Units)	=	Realisation Proceeds
1000 Units	X	S\$1.100*	=	S\$1,100.00

[#] Assuming that there are no Duties and Charges payable for Class B Units.

* Notional Realisation Price used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Trust.

If the Realisation Request in writing in respect of Units of any Class is more than ten per cent of the total value of all the Units of such Class then in issue or deemed to be in issue, the Managers shall have the right, instead of purchasing the said Units of such Class at the price calculated as hereinbefore provided, to elect by notice in writing to the Holder to purchase the said Units of such Class (unless the further option conferred on the Holder by Clause 12(G)(iii) of the Deed shall be exercised) at the aggregate price mentioned in and otherwise in accordance with the provisions of Clause 12(G) of the Deed.

11.5 Period and method of payment

The realisation proceeds are paid to investors within seven (7) Business Days (or such other period as may be prescribed by the Authority) following the receipt of the Realisation Request.

Any monies payable to a Holder in respect of:

11.5.1 Cash Units shall be paid by cheque or warrant sent through the post to the Holder at the address of such Holder. In the case of Joint-All Holders, the cheque or warrant shall be made payable to the Joint Holder first named in the Register and

in the case of Joint-Alternate Holders, to the Joint Holder signing the Realisation Request; and

11.5.2 SRS Units shall be paid by transferring the said amounts to the relevant SRS Operator for credit of such Holder's SRS Account.

For Cash Units, payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the monies payable. For SRS Units, payment as set out in subparagraph 11.5.2 above shall be a satisfaction of the monies payable and the receipt of the relevant SRS Operator shall be a good discharge to the Managers or the Trustee (as the case may be). Where an authority in that behalf shall have been received by the Trustee or the Managers in such form as the Trustee shall consider sufficient, the Trustee or the Managers (as the case may be) shall pay the amount due to any Holder to his bankers or other agent and the receipt of such bankers or other agent shall be a good discharge therefor. No amount payable to any Holder shall bear interest.

If a Holder is resident outside Singapore, the Managers shall be entitled to deduct from the sale proceeds, an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Holder had been resident in Singapore.

12. SWITCHING OF UNITS

12.1 Switching between funds

12.1.1 Subject to the Managers' absolute discretion to reject any Switching Notice without assigning any reason therefor and the provisions of Clause 12(B) of the Deed, Holders may request to switch all or any part of their Units in the Trust into the units of any other trust managed, or any other collective investment scheme (whether authorised or recognised under the SFA) made available for investment, by the Managers ("**new Trust**") in accordance with the provisions of Clause 12(J) to (M) of the Deed, Provided That SRS Units of the Trust may only be switched into a new Trust which is available for investment using SRS monies and Class A Units and Class B Units of the Trust may only be switched into class A units and class B units of the new Trust respectively, subject to any restrictions imposed from time to time on applications using SRS Contributions by any applicable authority. Holders should contact the Managers or the relevant distributors for more information. In addition, Class A Units of the Trust may be switched into units of a new Trust which does not contain any particular class or classes of units. No switching is permitted if realisation of the Units of the Trust is suspended or if the issue of units of the new Trust is suspended on the relevant dealing day of the Trust or the new Trust (as the case may be).

12.1.2 Where a Holder switches Units of the Trust to units of a new Trust, the Realisation Price of Units of the Trust shall be the NAV per Unit on the relevant Dealing Day of the Trust on which a Switching Notice is received and accepted by the Managers. The Managers shall not impose a Preliminary Charge in relation to the new Trust but shall be entitled to deduct a Switching Fee from the realisation proceeds from the Units of the Trust. Units of the new Trust shall be issued at the NAV per Unit of

the new Trust on a dealing day of the new Trust to be determined, as soon as practicable, by the Managers.

12.1.3 The Switching Fee shall not exceed one (1) per cent of such realisation proceeds PROVIDED THAT such fee shall not be less than S\$5 or such other amount as may from time to time be determined by the Managers. The Switching Fee shall be retained by the Managers for their own benefit. The Managers may on any day differentiate between Holders who switch units as to the rate of the Switching Fee PROVIDED ALWAYS THAT such rate shall be within the limits specified in this sub-paragraph and the Managers may on any day grant to any person a discount on the Switching Fee as they think fit. No such discount shall exceed the amount of the Switching Fee and the discount shall be deducted from the Switching Fee otherwise due.

12.1.4 To request for a switching of Units, a Holder must deliver a duly completed Switching Notice to the Managers. In order for a Switching Notice to be effected on a particular Dealing Day of the Trust, it must be received by the Managers not later than the Dealing Deadline on that Dealing Day of the Trust. If any Switching Notice is received after the Dealing Deadline on that Dealing Day of the Trust or received on any day which is not a Dealing Day of the Trust, such Switching Notice shall be treated as having been received before the Dealing Deadline on the next Dealing Day of the Trust.

12.2 Switching between Classes of the Trust

Class A Units may not be switched into Class B Units of the Trust and Class B Units may not be switched into Class A Units of the Trust unless otherwise permitted by the Managers at their absolute discretion and subject to payment of such fee as may be determined by the Managers. The switching fee shall be borne by the relevant Holder and shall be retained by the Managers for their own benefit.

13. OBTAINING PRICES OF UNITS

13.1 The indicative NAV per Unit of each Class is published on the Managers' website at <http://www.schroders.com.sg> one (1) Business Day after the relevant Dealing Day and is also available from the Managers.

The indicative NAV per Unit of each Class is also published in The Straits Times, The Business Times and Lianhe Zaobao on a periodic basis. *Investors should note that Schroders does not accept any responsibility for any errors attributable to any publisher in relation to the prices published in the local newspapers or for any non-publication of prices by such publisher and shall incur no liability in respect of any action taken or loss suffered by investors in reliance upon such publication.*

14. SUSPENSION OF DEALINGS

Subject to the provisions of the Code, the Managers may, with the approval of the Trustee, suspend the issue and/or realisation of Units of the Trust or Class of the Trust (i) during any period when any Recognised Stock Exchange on which any Authorised Investment

forming part of the Deposited Property for the time being is listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended, (ii) during the existence of any state of affairs which, in the opinion of the Managers might seriously prejudice the interest of the Holders as a whole or of the Deposited Property, (iii) during any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on any Recognised Stock Exchange or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material proportion of the Authorised Investments cannot be determined), (iv) during any period when remittance of monies which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Managers, be carried out at normal rates of exchange, (v) during any period when dealings in the Underlying Fund (or such other Funds into which the Trust invests) are suspended or restricted, (vi) for 48 hours (or such longer period as the Managers and Trustee may agree) prior to the date of any meeting of Holders of the Trust or Class of the Trust (or any adjourned meeting thereof) convened in accordance with the provisions of the Schedule to the Deed for the purposes of, *inter alia*, determining the total number and value of all the Units in issue and reconciling the number of Units stated in proxy forms received from Holders against the number of Units stated in the Register in respect of such Trust or Class of the Trust, (vii) for any period pursuant to an order or direction of the Authority or (viii) during such circumstances as may be required under the provisions of the Code. Such suspension shall take effect forthwith upon such date as determined by the Managers and subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which suspension is authorised under this sub-paragraph shall exist. The Managers shall give notice in writing to the Trustee of the commencement and termination of any such suspension.

Subject to the provisions of the Code, the Trustee may (after consulting the Managers) instruct the Managers to temporarily suspend the realisation of Units during any period of substitution or adjustment (if any) of the value of the assets used in determining the realisation price in accordance with the provisions in the Deed.

Dealings in Units of the Trust or Class of the Trust may also be suspended during any period as the Authority may direct and such suspension shall comply with the terms set out in the order, notice or directive issued by the Authority.

15. PERFORMANCE OF THE TRUST

15.1 Past Performance of the Classes

The returns of the respective Classes of Units and the benchmark over the last 1, 3 and 5 years and since inception (as at 30 April 2011) are as follows:

Total Returns

	1 year	3 years	5 years	since Inception [#]
Class A Units (NAV-to-NAV)	-1.59%	-8.54%	5.40%	66.12%
Class A Units (NAV-to-NAV (taking into account the Preliminary Charge))	-6.51%	-13.11%	0.13%	57.47%
Benchmark*	3.49%	5.59%	22.75%	71.30%
Class B Units (NAV-to-NAV)	-1.95%	-9.66%	3.10%	18.22%
Benchmark*	3.49%	5.59%	22.75%	35.17%

Annualised Returns

	3 years	5 years	since Inception [#]
Class A Units (NAV-to-NAV)	-2.93%	1.06%	5.80%
Class A Units (NAV-to-NAV (taking into account the Preliminary Charge))	-4.58%	0.03%	5.17%
Benchmark*	1.83%	4.19%	6.16%
Class B Units (NAV-to-NAV)	-3.33%	0.61%	3.09%
Benchmark*	1.83%	4.19%	5.64%

Source: Morningstar; Basis of calculation: Singapore dollar, net dividends reinvested

* The benchmark of the Classes is a composite index of 60% MSCI AC FE ex-Japan Index and 40% Citigroup Treasury/Agency Index

[#] Inception date was 28 March 2002 for Class A Units and 4 October 2005 for Class B Units

Investors should note that the past performance of the Trust is not necessarily indicative of the future performance of the Trust. Investors should also bear in mind that the performance figures above (excluding those for 1 year) also reflect the former investment policy of the Trust prior to 17 July 2009 and that the past performance of the former investment policy is not reflective of the new investment policy of the Trust.

15.2 Expense Ratio

The expense ratio for Class A Units based on the figures in the Trust's latest audited accounts for the period from 1 January 2010 to 31 December 2010 was 2.15%.

The expense ratio for Class B Units based on figures in the Trust's latest audited accounts for the period from 1 January 2010 to 31 December 2010 was 2.65%.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore's (IMAS) guidelines on expense ratios. The following expenses (where applicable) are excluded from calculating the Trust's expense ratio:

- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (b) foreign exchange gains and losses of the Trust, whether realised or unrealised;
- (c) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- (d) tax deducted at source or arising on income received including withholding tax;
- (e) interest expense; and
- (f) dividends and other distributions paid to Holders.

15.3 Turnover Ratio

The turnover ratio for Class A Units for the period 1 January 2010 to 31 December 2010, calculated based on the lesser of purchases or sales expressed as a percentage over the daily average NAV of the assets of the Trust was 0%.

The turnover ratio for Class B Units for the period 1 January 2010 to 31 December 2010, calculated based on the lesser of purchases or sales expressed as a percentage over the daily average NAV of the assets of the Trust was 0%.

The turnover ratio for the Underlying Fund for the period 1 January 2010 to 31 December 2010 was 51.56%.

16. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

16.1 In their management of the Trust, the Managers may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Trust and the soft dollars received are restricted to the following kinds of services:

- (a) research and price information;

- (b) performance measurement;
- (c) portfolio valuations; and
- (d) analysis and administration services.

The Managers may not receive or enter into soft dollar commissions or arrangements unless such soft dollar commissions or arrangements shall reasonably assist the Managers in their management of the Trust and best execution is carried out for the transactions. The Managers shall not enter into unnecessary trades in order to qualify for such soft dollar commissions or arrangements and shall not receive goods and services such as travel, accommodation and entertainment

The description of soft dollars and the conditions set out above also apply to the investment manager of the Underlying Fund.

17. CONFLICTS OF INTEREST

- 17.1** The Managers may from time to time have to deal with competing or conflicting interests between the other unit trusts which are managed by the Managers and the Trust. For example, the Managers may make a purchase or sale decision on behalf of some or all of their other unit trusts without making the same decision on behalf of the Trust, as a decision whether or not to make the same investment or sale for the Trust depends on factors such as the cash availability and portfolio balance of the Trust. However the Managers will use reasonable endeavours at all times to act fairly and in the interests of the Trust.

The factors which the Managers will take into account when determining if there are any conflicts of interest as described above include the assets (including cash) of the Trust as well as the assets of the other funds managed by the Managers. To the extent that another fund managed by the Managers intends to purchase substantially similar assets, the Managers will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the Trust and the other funds.

- 17.2** Associates of the Trustee may be engaged to provide financial, banking or brokerage services to the Trust or Classes of the Trust or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services to the Trust or Classes of the Trust, where provided, and such activities with the Trustee, where entered into, will be on an arm's length basis.

18. REPORTS

- 18.1** The financial year-end of the Trust is 31st of December of each year.

The annual report, annual audited Accounts and the Auditor's report on the annual Accounts of the Trust will be sent or made available to Holders within 3 months (or such other period as may be prescribed by the Authority) from the end of the financial year.

The semi-annual report and semi-annual Accounts of the Trust will be sent or made available to Holders within 2 months (or such other period as may be prescribed by the Authority) of June each year

19. QUERIES AND COMPLAINTS

- 19.1** All queries about or complaints relating to the Trust may be directed to the Managers, Schroder Investment Management (Singapore) Ltd, at telephone number (65) 6534 4288.

20. OTHER MATERIAL INFORMATION

20.1 Distributions

The Managers may, by notice in writing, direct the Trustee to distribute all or part of the income or capital (with the Trustee's consent) or net capital gains of the Trust in accordance with the provisions of the Deed.

A Holder may at any time make a request in writing for the automatic reinvestment of all but not part of the distributions to be received by him in the purchase of further Units.

The Managers intend to make half yearly distributions of at least 2 cents per Unit to Holders of the Trust on or about 1 month from 30th June and on or about 2 months from 31st December.

20.2 Transfer of Units

In respect of Cash Units, every Holder shall be entitled to transfer the Units of the Class of the Trust held by him by an instrument in writing in common form (or in such other form as the Managers and the Trustee may from time to time approve) Provided That no transfer of part of a holding of such Units shall be registered without the approval of the Managers and the Trustee if in consequence thereof either the transferor or the transferee would be the Holder of less than the Minimum Holding. Notwithstanding the foregoing, or any other provision of the Deed, a minor's title to or interest in any Units before he has attained the age of 21 years, shall only be transferred if permitted by or in accordance with the law, Provided Further That no transfer of SRS Units shall be permitted. A fee not exceeding S\$5, or such other amount as the Trustee and the Managers may from time to time agree, which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Managers or the Trustee (as the case may be) for the registration of a transfer.

20.3 Duration and Termination of the Trust

The Trust is of indeterminate duration but may be terminated in the following circumstances:-

- 20.3.1** by either the Trustee or the Managers in their absolute discretion by not less than one year's notice in writing to the other given so as to expire at the end of the year 2009 or thereafter at the end of each fifteen-year period. Either the Trustee or the Managers shall be entitled by notice in writing to make the continuation of the Trust beyond any such date conditional on the revision to its or their satisfaction at least three months before the relevant date of its or their remuneration under the Deed. In the event that the Trust shall be terminated or discontinued, the Managers shall give notice thereof to all Holders not less than six months in advance;

20.3.2 subject to section 295 of the SFA, by the Trustee by notice in writing in any of the following events:

- (i) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in respect of any of their assets or if any encumbrancer shall take possession of any of their assets or if they shall cease business;
- (ii) if in the opinion of the Trustee the Managers shall be incapable of performing or shall in fact fail to perform their duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Holders, PROVIDED ALWAYS THAT if the Managers shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Act, Chapter 10 of Singapore, before a sole arbitrator who shall be a member of The Institute of Certified Public Accountants of Singapore, to be agreed between the parties or, in default of agreement, appointed by the President for the time being of the said Institute, and whose decision shall be final and binding;
- (iii) if any law shall be passed or any direction is given by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust;
- (iv) if within the period of three months from the date of the Trustee expressing in writing to the Managers the desire to retire, the Managers shall have failed to appoint a new trustee within the terms of Clause 29 of the Deed; and
- (v) if the Authority revokes or withdraws the authorisation of the Trust;

20.3.3 by the Managers by notice in writing:

- (i) if the aggregate value of the Deposited Property shall be less than S\$5,000,000;
- (ii) if any law shall be passed or any direction is given by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Trust; and
- (iii) in the event of the liquidation, dissolution, amalgamation, consolidation or reconstruction of the Underlying Fund; or
- (iv) if the Authority revokes or withdraws the authorisation of the Trust.

20.3.4 by Extraordinary Resolution of a Meeting of the Holders of the Trust duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the said Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.

The party terminating the Trust shall give notice thereof to the other party and the Holders fixing the date at which such termination is to take effect and the date shall not be less than

six months after the service of such notice. In the event of a termination of the Trust for whatever reason, the Managers shall give the Authority written notice of the proposed termination at least 7 days before the relevant termination date of the Trust.

20.4 Termination of any Class of the Trust

Each Class of the Trust may be terminated as follows:-

20.4.1 by the Trustee giving notice to the Managers and thereafter by giving not less than six months' notice in writing to all Holders of such Class of the Trust if any law shall be passed or any direction is given by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Class;

20.4.2 by the Managers in their absolute discretion by giving notice to the Trustee and thereafter by giving not less than six months' notice to all Holders of such Class of the Trust if:

- (i) the Value of the proportion of the relevant Deposited Property attributable to such Class shall be less than S\$5,000,000; or
- (ii) the Managers are of the view that it is not in the best interest of Holders of Units in that Class to continue the Class; or
- (iii) there are less than 25 Holders in that Class; or
- (iv) any law shall be passed or any direction is given by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Class;

20.4.3 by Extraordinary Resolution of a Meeting of the Holders of that Class duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.

The party terminating any Class of the Trust shall give notice thereof to the other party and the Holders fixing the date at which such termination is to take effect and the date shall not be less than six months after the service of such notice. In the event of a termination of any Class of the Trust for whatever reason, the Managers shall give the Authority written notice of the proposed termination at least 7 days before the relevant termination date of such Class of the Trust.

20.5 Exclusion of Liability

20.5.1 The Trustee and the Managers shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

20.5.2 Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any transfer or form of application, endorsement or other document (sent by mail, facsimile, electronic

means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.

- 20.5.3** The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed, neither the Trustee nor the Managers shall be under any liability therefor or thereby.
- 20.5.4** Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degree of diligence and care required of them having regard to the provisions of the Deed.
- 20.5.5** In no event shall a Holder have or acquire any rights against the Trustee and the Managers or either of them except as expressly conferred on the Holder by the Deed nor shall the Trustee be bound to make any payment to any Holder except out of funds held by or paid to it for that purpose under the provisions of the Deed.
- 20.5.6** The Managers shall not incur any liability to or be responsible for any losses suffered or expenses incurred by the Trustee, the Holders or any other person by reason of any error of law or any matter or thing done or suffered or omitted to be done by the Managers or their employees, officers or agents in good faith hereunder in the absence of fraud or negligence of or other liability imposed by law on the Managers, or their employees, officers or agents.
- 20.5.7** The Managers shall be entitled to exercise the said rights in what they may consider to be the best interests of the Holders, but neither the Managers nor the Trustee shall be under any liability or responsibility in respect of the management of the Authorised Investment in question nor in respect of any vote action or consent given or taken or not given or not taken by the Managers whether in person or by proxy, and neither the Trustee nor the Managers nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted

or approval voted or given or withheld by the Trustee or Managers or by the holder of such proxy or power of attorney under the Deed and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Managers or by any such proxy or attorney.

- 20.5.8** Except if and so far as otherwise expressly provided in the Deed, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- 20.5.9** Nothing in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as managers or trustee of trusts separate and distinct from the Trust.
- 20.5.10** The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers and/or delegates appointed by the Managers. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Managers and/or delegates appointed by the Managers to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers and/or delegates appointed by the Managers by any two persons whose signature the Trustee is for the time being authorised by the Managers and/or delegates appointed by the Managers under their common seal to accept and may act on facsimile instructions given by authorised officers of the Managers and/or delegates appointed by the Managers (as the Managers and/or delegates appointed by the Managers may specify in writing to the Trustee from time to time).
- 20.5.11** The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, computer experts, lawyers or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, computer expert, lawyer or other person as aforesaid or of the Managers except where the Managers or agents are acting on behalf of the Trustee with its authority in relation to the keeping of the Register. Any such advice or information may be obtained or sent by electronic mail or facsimile letter and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such electronic mail or facsimile letter although the same contains some error or shall not be authentic.

20.6 Value of Authorised Investments

“Value” except where otherwise expressly stated and subject always to the requirements of the Code, with reference to Authorised Investments which are:

- (a) deposits placed with a Bank or other financial institutions and bank bills, shall be determined by reference to the face value of such Authorised Investments and the accrued interest thereon for the relevant period;
- (b) units or shares in any Fund shall be valued at the latest quoted NAV per unit or share as valued by the manager or issuer thereof, and if such latest quoted NAV is not available, by the mean of their bid and offered prices;
- (c) Unquoted Securities shall be calculated by reference to, where applicable, the initial value thereof being the amount expended in the acquisition thereof or the last bid prices quoted by responsible firms, corporations or associations on a Recognised Stock Exchange or an over-the-counter market at the time of calculation (or at such other time as the Managers may from time to time after consultation with the Trustee determine), where there is no over-the-counter market or telephone market, all calculations based on the value of Authorised Investments shall be made by reference to the price quoted thereon by any person, firm or institution making a market in that Authorised Investment (and if there shall be more than one such market maker, then such market maker as the Managers may designate), the sale prices of recent public or private transactions in the same or similar investments, valuations of comparable companies or discounted cash flow analysis as may be determined to represent the fair value of such Authorised Investment, and in the valuation of such investment the Managers may take into account relevant factors including without limitation significant relevant events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability. For the consideration of what is fair value, the Managers may consult with a Stockbroker or valuer approved by the Trustee;
- (d) Quoted Securities, shall be calculated firstly by reference to the official closing price (however described and calculated under the rules of the Recognised Stock Exchange on which such securities are listed or quoted) and, if no official closing price is available, by the last transacted price on such Recognised Stock Exchange; and
- (e) any other Authorised Investments shall be valued by a person approved by the Trustee as being qualified to value such Authorised Investment in such manner and at such time or times as the Managers and the Trustee shall from time to time agree,

Provided That, if the quotations referred to in sub-paragraphs (b), (c) or (d) are not available, or if the value of the Authorised Investments determined in the manner described in the sub-paragraphs above, in the opinion of the Managers, do not represent a fair value of such Authorised Investment, then the Value shall be any reasonable value as may be determined by the Managers or by a person approved by the Trustee as being qualified to value such Authorised Investment and approved by the Trustee. For the purposes of this paragraph, fair value shall be determined with due care and good faith and the basis for determining the fair value of the Authorised Investment shall be documented.

Provided Further That the prior approval of the Trustee shall be required for any change in the method of determining the Value of any Authorised Investment or change in the timing of

such valuation from the Valuation Point and the Managers shall notify the Holders if the Trustee shall determine that the Holders should be informed of any such change.

In exercising in good faith the discretion given by the proviso above, the Managers shall not, subject to the provisions of the Code, assume any liability towards the Trust, and the Trustee shall not be under any liability, in accepting the opinion of the Managers, notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

20.7 Securities Lending or Repurchase Transactions

The Trust currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code.

20.8 Investment Restrictions

The investment and borrowing restrictions of Appendix 1 of the Code shall apply to the Trust.

20.9 Compulsory Realisations

The Managers have the right (in consultation with the Trustee) to realise compulsorily, any holdings of Units which is held by:

- (a) any Holder who is or may be in breach of, or if the Managers deem necessary for the compliance of the Managers or the Trust with, any applicable law or regulation in any jurisdiction;
- (b) any Holder who, in the opinion of the Managers, may cause the Trust to lose its authorised or registered status with any regulatory authority in any jurisdiction or the offer of the Units of the Trust or the Trust to become subject to prospectus registration requirements under any law or regulation in any other jurisdiction;
- (c) any Holder who, in the opinion of the Managers, may cause a detrimental effect on the tax status of the Trust in any jurisdiction, or on the tax status of the Holders of the Trust, resulting in the Trust suffering any other legal or pecuniary disadvantage which the Trust might not otherwise have incurred or suffered; or
- (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks.

GLOSSARY

All capitalised terms and expressions used in this document which are not defined hereunder shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed.

“Accounting Date” means (subject to the provisions of Clause 15(C) of the Deed) the 31st day of December in each year (commencing with the 31st day of December, 1994) or (in the case of the final Accounting Period) the date on which the monies required for the distribution in respect of that period shall have been transferred to the Distribution Account.

“Accounting Period” means the period ending on and including an Accounting Date and commencing from the commencement of the Trust or from the end of the preceding Accounting Period (as the case may require).

“Accounts” means the profit and loss accounts and balance-sheets and includes notes (other than auditors’ reports or directors’ report) attached or intended to be read with any of those profit and loss accounts or balance-sheet.

“Associate” means and includes any corporation which in relation to the person concerned (being a corporation) is a holding company or a subsidiary or a subsidiary of any such holding company or a corporation (or a subsidiary of a corporation) at least one-fifth of the issued equity share capital of which is beneficially owned by the person concerned or an Associate thereof under the preceding part of this definition. Where the person concerned is an individual or firm or other unincorporated body, the expression “Associate” means and includes any corporation directly or indirectly controlled by such person.

“Authorised Investment” means, subject to the provisions of the Code:-

- (i) any Quoted Security;
- (ii) any Unquoted Security;
- (iii) any Fund; and

any other type of security not mentioned in paragraphs (i) to (iii) above and selected by the Managers for investment of the Deposited Property and approved by the Trustee in writing.

“Business Day” means any day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for business or any other day as the Managers and Trustee may agree.

“Capital Markets Services Licence” means a licence granted by the Authority under section 86 of the SFA.

“Cash Units” means Units other than SRS Units.

“Class” means any class of Units in the Trust which may be designated as a class distinct from another class in the Trust as may be determined by the Managers from time to time.

“Code” means the Code on Collective Investment Schemes issued by the Authority, as the same may be amended from time to time.

“Dealing Day” means every day which is a Business Day and/or such other day or days in addition thereto or in substitution therefor as the Managers may from time to time, with the approval of the Trustee, determine Provided That there shall be at least one Dealing Day in each calendar month.

“Dealing Deadline” means, in relation to any Dealing Day, 5 p.m. Singapore time on that Dealing Day or such other time on such Dealing Day as the Managers and the Trustee may agree.

“Deposited Property” means all the assets for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the Distribution Account.

“Distribution Account” has the meaning ascribed thereto in Clause 15 of the Deed.

“Distribution Charge” in relation to Class B Units means the fee payable in relation to the distribution of prospectuses or profile statements or Units of the Trust.

“Distribution Date” means (subject to the provisions of Clause 15(E) of the Deed) on or about 1 month from each 30th day of June and on or about 2 months from each 31st day of December commencing from 30th June 2006.

“Duties and Charges” means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Authorised Investments or otherwise, which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commission payable to agents on sales and repurchases of Units.

“Feeder Fund” means a fund which invests all or substantially all of its assets in securities which are units or sub-units in a unit trust scheme or participations in a mutual fund or other interests in a collective investment scheme which is managed or advised by the Managers or any Associate of the Managers or any other manager and whose investment objective is the same or substantially the same as such fund.

“Fund” means any Investment Fund, unit or sub-unit or share of any unit trust or mutual fund or investment corporation managed or advised by a Schroder Company or any other manager including the Underlying Fund and any successor schemes thereto.

“Gross Investment Sum” means the aggregate amount comprising the Net Investment Sum paid or to be paid by, or received or to be received from, an applicant for the subscription or purchase of Units of any Class, together with the Preliminary Charge and any applicable Duties and Charges payable in respect thereof.

“Holder” means the registered holder for the time being of a Unit and includes all Joint Holders.

“Investment Funds” means a UCITS or other UCI in which the Underlying Fund may invest, in accordance with the investment rules described in Appendix I of the Strategic Solutions' Luxembourg Prospectus.

“Joint Holders” means such persons for the time being entered in the Register as joint holders of a Unit, who shall hold the Unit either as Joint-All Holders or Joint-Alternate Holders.

“Joint-All Holders” means Joint Holders whose mandate the Managers and the Trustee shall act upon only if given by all of such Joint Holders.

“Joint-Alternate Holders” means Joint Holders whose mandate the Managers and the Trustee shall act upon if given by either of such Joint Holders.

“Minimum Realisation Amount” means 100 Units or such other number of Units as the Managers may from time to time determine upon giving prior notice to the Trustee, either generally or in relation to any Class of the Trust.

“Net Investment Sum” means the amount paid or to be paid to the Managers by an applicant for the subscription or purchase of Units, net of the Preliminary Charge and any applicable Duties and Charges payable in respect thereof.

“Preliminary Charge” means in the case of Class A Units, a charge upon the issue of a Unit of such amount as shall from time to time be fixed by and payable to the Managers generally or in relation to any specific or class of transaction Provided That it shall not exceed five per cent. of the Gross Investment Sum.

“Quoted Security” means:

- (i) any securities of any corporation (denominated in any currency), which is listed or traded or in respect of which permission to deal is effective on a Recognised Stock Exchange; and
- (ii) any securities of any corporation (denominated in any currency), in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding twelve weeks or in respect of which the Managers are satisfied that the subscription or other transactions will be cancelled if the application is refused.

“Recognised Stock Exchange” means any stock exchange, futures exchange or commodities exchange of repute and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association dealing in the Authorised Investment and any responsible mutual fund or subsidiary thereof or unit trust scheme issuing and redeeming participations or units (as the case may be) so as to provide in the opinion of the Managers a satisfactory market for the Authorised Investment and in such a case the Authorised Investment shall be deemed to be the subject of an effective permission to deal or listing on the stock exchange, futures exchange or commodities exchange deemed to be constituted by such firm, corporation, association, mutual fund or subsidiary thereof or unit trust scheme.

“SFA” means the Securities and Futures Act (Chapter 289) of Singapore, as the same may be amended from time to time.

“SRS” means the Supplementary Retirement Scheme.

“SRS Account” means an account opened by an investor with an SRS Operator for the purposes of investment under the SRS.

“SRS Contributions” means monies withdrawn from an investor’s SRS Account.

“SRS Operator” means the relevant bank appointed by the Ministry of Finance from time to time to operate SRS Accounts.

“**SRS Units**” means Units subscribed or purchased using SRS Contributions.

“**Schroder Company**” means Schroder Investment Management Limited, a company incorporated in the United Kingdom and a subsidiary of Schroders p.l.c., its subsidiaries and related corporations.

“**security**” includes any share, stock, bond, note, certificate, debenture, debenture stock, unit or sub-unit of a unit trust or mutual fund, warrant, option, depository receipt, convertible, securities future, stock index future, money market security and any other security or instrument which may be selected by the Managers for the purpose of investment of the Deposited Property.

“**Switching Fee**” means the fee payable to the Managers on the switching of a Unit of any Class of the Trust in accordance with the provisions of Clause 12(M) of the Deed.

“**Switching Notice**” means a notice from a Holder requiring realisation of Units of any Class of the Trust and the issue of units of the new Trust in lieu thereof given pursuant to Clause 12(L) of the Deed.

“**UCITS**” means an undertaking for collective investment in transferable securities within the meaning of Article 1(2) of Council Directive 85/611/EEC of 20 December 1985, as amended.

“**UCI**” means an “other undertaking for collective investment” or investment fund within the meaning of the first and second indent of Article 1(2) of Council Directive 85/611/EEC of 20 December 1985, as amended.

“**Underlying Fund**” means the Strategic Solutions – Schroder Asian Diversified Growth Fund, one of the sub-funds in the Strategic Solutions, an open-ended investment company incorporated in Luxembourg.

“**Unit**” means one undivided share in the Trust. Where the context so requires, the definition includes a Unit of a Class and a fraction of a Unit and, save where the Deed otherwise provides, a fraction of a Unit shall rank *pari passu* and proportionately with a whole Unit.

“**Unquoted Security**” means any securities of any corporation (denominated in any currency) which is not listed, quoted or dealt on any Recognised Stock Exchange.

“**Valuation Point**” in relation to a Dealing Day, means the close of business of the last relevant market or such other time or date determined by the Managers with the approval of the Trustee.

**SCHRODER ASIAN BALANCED FUND
REPLACEMENT PROSPECTUS**

BOARD OF DIRECTORS OF THE MANAGER

Signed:

Signed:

SUSAN SOH SHIN YANN

THAM EE MERN LILIAN

Signed:

Signed:

TAN JUI TONG

GWEE SIEW PING

**SCHRODER ASIAN BALANCED FUND
REPLACEMENT PROSPECTUS LODGED ON**
