

Additional Information to the PDS

Dated: 22 May 2023

Issuer and responsible entity

Contact details

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

Registered office

Level 20, Angel Place
123 Pitt Street
Sydney NSW 2000

Schroders unit registry

C/- Link Market Services
Locked Bag 5038
Parramatta NSW 2124

Website

www.schroders.com.au

Email

info.au@schroders.com

Client services telephone

(+61) 1300 136 471

General enquiries telephone

(+612) 9210 9200

Important information

The information in this document forms part of the Product Disclosure Statement (**PDS**) of the Funds listed in this Additional Information booklet.

You should read this booklet together with the relevant PDS before making a decision to invest in a Fund. Certain sections of this booklet may not apply to all Funds.

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

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

Schroder Funds	Sub-Sector	Class of Fund	ARSN	APIR	Beneficiary Lodgement Code	PDS date
Schroder Australian Equity Fund	Australian Equities	Professional	089 953 248	SCH0002AU	AEF	20 Dec 2022
Schroder Equity Opportunities Fund	Australian Equities	Wholesale	128 708 645	SCH0035AU	EOF	20 Dec 2022
Schroder Equity Opportunities Fund	Australian Equities	Professional	128 708 645	SCH5738AU	EOP	20 Dec 2022
Schroder Wholesale Australian Equity Fund	Australian Equities	Wholesale	100 857 823	SCH0101AU	WAE	20 Dec 2022
Schroder Wholesale Australian Equity Fund	Australian Equities	Professional	100 857 823	SCH6237AU	WEP	20 Dec 2022
Schroder Absolute Return Income Fund	Fixed Income	Wholesale	092 060 172	SCH0103AU	HSF	20 Dec 2022
Schroder Absolute Return Income Fund	Fixed Income	Professional	092 060 172	SCH0024AU	HSS	20 Dec 2022
Schroder Fixed Income Fund	Fixed Income	Wholesale	089 952 849	SCH0028AU	FIF	20 Dec 2022
Schroder Fixed Income Fund	Fixed Income	Professional	089 952 849	SCH0016AU	FIS	20 Dec 2022
Schroder Multi-Asset Income Fund	Multi-Asset	Wholesale	163 314 305	SCH0096AU	R3W	20 Dec 2022
Schroder Real Return Fund	Multi-Asset	Wholesale	132 446 103	SCH0047AU	RRW	20 Dec 2022
Schroder Real Return Fund	Multi-Asset	Professional	132 446 103	SCH0039AU	RRF	20 Dec 2022
Schroder Sustainable Growth Fund	Multi-Asset	Wholesale	092 337 203	SCH0102AU	SBF	20 Dec 2022
Schroder Sustainable Growth Fund	Multi-Asset	Professional	092 337 203	SCH0010AU	BFS	20 Dec 2022
Schroder Emerging Markets Sustainable Fund	QEP Global Equities	Wholesale	157 846 145	SCH0097AU	QEW	20 Dec 2022
Schroder Global Sustainable Equity Fund	QEP Global Equities	Wholesale	136 596 257	SCH0040AU	GDB	20 Dec 2022
Schroder Global Value Fund	QEP Global Equities	Wholesale	114 292 009	SCH0030AU	GAV	20 Dec 2022
Schroder Global Value Fund (Hedged)	QEP Global Equities	Wholesale	115 597 272	SCH0032AU	GVH	20 Dec 2022
Schroder Sustainable Global Core Fund	QEP Global Equities	Wholesale	092 337 365	SCH0003AU	GES	20 Dec 2022
Schroder All China Equity Opportunities Fund	Regional and Overseas Equities	Wholesale	645 361 628	SCH6527AU	ACW	20 Dec 2022
Schroder All China Equity Opportunities Fund	Regional and Overseas Equities	Professional	645 361 628	SCH2355AU	ACP	20 Dec 2022
Schroder Asian Shares Fund	Regional and Overseas Equities	Wholesale	092 337 936	SCH0006AU	APF	20 Dec 2022
Schroder Global Emerging Markets Fund	Regional and Overseas Equities	Wholesale	121 251 410	SCH0034AU	GEM	20 Dec 2022
Schroder Global Recovery Fund	Regional and Overseas Equities	Wholesale	603 473 329	SCH0095AU	GRW	20 Dec 2022
Schroder Global Recovery Fund	Regional and Overseas Equities	Professional	603 473 329	SCH4757AU	GRS	20 Dec 2022

Contents

1. Significant features of a Fund	3
1.1 Our legal relationship with investors.....	3
1.2 Keeping you informed	4
1.3 How to invest in a Fund	4
1.4 How to withdraw from a Fund	6
1.5 Non-dealing days	8
1.6 Terms and conditions of application and withdrawal.....	8
1.7 Privacy	11
1.8 Labour standards and environmental, social and ethical considerations	11
1.8.1 How Schroders categorises its funds from an ESG perspective.....	11
ESG Integrated Funds	12
Dialogue and engagement.....	12
Voting.....	12
Sustainable Investment funds	13
1.8.2 About sustainability at Schroders	15
1.9 Investor suitability and target market determinations.....	15
2. Significant risks of investing in a Fund.....	15
2.1 About a Fund's risk level.....	15
2.2 Investment risks	15
3. More detailed information about fees and costs ...	18
4. Taxation	26
5. Other important information	28
6. Warning statement for New Zealand investors	29
7. Glossary.....	30
8. Contacting Schroders	32

1. Significant features of a Fund

1.1 Our legal relationship with investors

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

Compliance plan

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

Constitution

Each Fund is governed by its Constitution. The main provisions of each Fund's Constitution are summarised below. Each Constitution is legally binding between Schroders and each unitholder in the relevant Fund. To the extent there is any inconsistency between this Additional Information booklet, a Fund's PDS and the Constitution for the Fund, the provisions of the Constitution will prevail. Subject to the Corporations Act, Schroders, as the Responsible Entity, may amend each Constitution. We will provide a copy of each Constitution on request at no charge.

Rights and liabilities of unitholders

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

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

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

Liability of Schroders as the responsible entity

Subject to the Corporations Act, and except in the case of its own fraud, gross negligence, or wilful default, Schroders is not liable to Unitholders for any loss or damage suffered in any way relating to a Fund.

Schroders is not liable to any person except to the extent that it is in fact able to be indemnified out of the assets of a Fund. To the extent permitted by law, Schroders is indemnified out of the assets of each Fund for any liability incurred by it in relation to the proper performance of its duties in relation to the Fund.

Retirement and removal of Schroders as the responsible entity

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

Termination of a Fund

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

1.2 Keeping you informed

Unitholders may receive the following reports:

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

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

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

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

Under the Constitution of a Fund, Schroders or its nominee has certain discretions in calculating unit prices. A documented unit pricing discretions policy is maintained relating to the exercise of these discretions.

A copy of the policy and documents relating to it are available free of charge on our website www.schroders.com.au or by contacting Schroders.

Online account access

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

- check the total value of your investments in each Fund;
- view your account summary, containing details such as the class of units you are invested in, the number of units you hold, their unit price and their total current value; and
- review your recent transaction history

Investors who wish to access their unit holding information online should register for this service at www.schroders.com.au. Investors will then be mailed a login ID, temporary password and activation instructions. We will provide your adviser or authorised representative with a separate login ID and password to access your account information.

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

Continuous disclosure

Where a Fund has become a 'disclosing entity' as defined in the Corporations Act, it will be subject to continuous disclosure and reporting obligations under the Corporations Act. We will meet our continuous disclosure obligations by publishing material information on our website www.schroders.com.au. Copies of documents lodged with ASIC in relation to each Fund may be obtained from, or inspected at, an ASIC office. You have a right to obtain a copy of the following documents from us at no charge:

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

1.3 How to invest in a Fund

You can apply to invest in the Fund by completing an application and returning it to us together with the application money. Hard copy application forms are available on our website at www.schroders.com.au. An online application process is also available on our website for certain investor types. By submitting an application, you are confirming that you have received and read this PDS. As a member of the ASX's mFund Settlement Service, Schroders may apply to admit certain Funds as mFund products. As and when a Fund is admitted, you will be able to transact with Schroders through mFund.

Initial investment

The minimum initial investment is \$500,000 for the Professional Class and \$20,000 for the Wholesale Class of a Fund. Initial applications may require supporting identification documents as part of the requirements of the AML/CTF Law and the DDO Regime. These identification and verification requirements are outlined in the customer identification forms or online application process (as applicable). Initial applications received by facsimile or email will not be accepted without prior agreement by Schroders. All initial applications will only be accepted if Schroders is satisfied with all details disclosed in the application, associated client identification documents have been received, and Schroders is satisfied that the issue of units to the applicant is not contrary to the DDO Regime, the AML/CTF Law and any other applicable law. Application requests will generally be funded in cash. Schroders may from time to time and in its absolute discretion accept application requests by transfer of investments in-kind or by a switch of units into the Fund (**'in specie' transfers**). If agreed to by Schroders and a unitholder, investments that relate to 'in specie' transfers will be valued on the date units are created. All costs including any applicable stamp duty and other taxes incurred as a result of the transfer will be payable by the unitholder. Advance notice is required for all transactions the subject of 'in specie' transfers.

Additional investments

The minimum additional investment is \$50,000 for the Professional Class and \$5,000 for the Wholesale Class of a Fund. Unitholders may make additional investments via BPAY® or by forwarding payment in accordance with the 'Payment options' (refer below) together with a completed additional application form (which can be downloaded from www.schroders.com.au), by giving a duly authorised written notification in a form acceptable to Schroders, or (for certain investor types) through our online application process.

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

®Registered to BPAY Pty Ltd ABN 69 079 137 518

Cut-off times

The cut-off time for Schroders is normally 3pm Sydney time on a Dealing Day, and 11.15am for transactions made via mFund. Please note that the cut-off times for other administration platforms or certain ASX brokers may be earlier than Schroders' normal cut-off times.

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

Where an application instruction is received after the relevant cut-off time on a Dealing Day, the instruction will normally be treated as being received on the following Dealing Day.

For the Schroder Emerging Markets Sustainable Fund and Schroder Global Emerging Markets Fund, Schroders requires notice of at least one Dealing Day to process an application. Accordingly, where application

instructions for that fund are received by 3pm Sydney time on a Dealing Day and accepted by Schroders, the application will normally be processed on the following Dealing Day (**Transaction Day**) and units will be normally allocated at the unit price calculated for the Transaction Day.

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

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

Investment of application monies

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

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

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

Payment options

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

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

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

Physical cash will not be accepted at any time.

To avoid processing delays, investors are strongly advised to contact Schroders at least 24 hours prior to lodging applications of significant value (or to confirm whether an application amount will be considered to be significant by Schroders).

Investors should contact Schroders if they have not received a confirmation of investment within 5 Business Days after making a payment.

1. 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.

2. BPAY®

For initial applications submitted via our Online Application Form and additional applications, payment can be made via BPAY using your on-line banking facility. Applications made by BPAY do not need to be accompanied by a paper instruction.

For additional applications received by BPAY, we will issue units when the money is received from your nominated financial institution. There may be a delay between the BPAY instruction and the day the units are issued.

®Registered to BPAY Pty Ltd ABN 69 079 137 518

3. Cheque payments

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

Schroders will only accept cheques drawn from an Australian ADI.

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

Discretion to reject applications

Schroders has absolute discretion to reject an application. Considerations which Schroders may take into account in exercising such discretion include, but are not limited to:

- compliance with our obligations under the AML/CTF Law and the DDO Regime;
- compliance with our internal policies and procedures;
- ensuring the best interests of unitholders;
- our ability to invest the application monies in an orderly fashion; and
- market closures or jurisdictional holidays, prevailing market conditions and suitability for investment.

Other things you should know

The money paid to acquire units, or additional units, in a Fund may be held by Schroders or its custodian in a trust account for the benefit of the applicant until Schroders issues units to the applicant. Any income attributable to that application money will not be payable to the applicant on money held prior to the issue of units or if the application money is returned to the applicant. Any interest earned on such application money will become an asset of the relevant Fund. If you are investing in a Fund indirectly through an intermediate investment operator such as an IDPS, please discuss the application requirements with your intermediate investment operator.

Cooling-off period

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

During this 14-day period, retail clients have the right to cancel their initial investment by sending an authorised instruction to Schroders. The investor's initial investment will then be repaid after Schroders makes adjustments for changes in the value of the investment, reasonable administrative and transaction costs incurred by Schroders or a Fund and any tax payable. There may be capital gain/ loss tax implications if you happen to receive more or less back than you originally invested.

The cooling-off period will end if and when an investor exercises any right in relation to their units during the 14-day period. The cooling-off period does not apply in certain circumstances, such as where investments are made by wholesale clients.

1.4 How to withdraw from a Fund

Unitholders may request to withdraw some or all of their investment in a unit class of a Fund by completing a withdrawal form that can be downloaded from www.schroders.com.au, giving a duly authorised written notification in a form acceptable to Schroders or, if the units are held via mFund, by placing a sell order with certain ASX brokers. Certain investor types can also request to withdraw online.

The minimum withdrawal amount is \$50,000 for the Professional Class and \$5,000 for the Wholesale Class of a Fund, unless the withdrawal relates to all the units held by that unitholder. Where payment instructions are not to a pre-nominated account, failure to provide the original withdrawal instruction to Schroders may cause delays in processing the instruction. Schroders does not accept instructions to pay to a third party and will not initiate payments to accounts with non-Australian ADIs unless otherwise agreed to by Schroders.

Schroders will only accept withdrawal requests if they are signed by the authorised signatories for the investment who have been duly nominated by the investor.

Schroders will normally pay withdrawal proceeds within 7 Business Days of accepting a valid withdrawal request. In accordance with the relevant Fund's Constitution, Schroders has between 21 days to 40 Business Days (subject to our right to suspend or stagger withdrawals) after the date on which the withdrawal request has been received in which to pay the withdrawal amount. For the maximum withdrawal period relevant to each Fund (subject to any rights to suspend or stagger fund redemptions that Schroders may have), please refer to the table below. It should be noted that, in accordance with the Constitution, the Corporations Act, or AML/CTF Law obligations, Schroders may suspend or stagger the withdrawal of units. For example, Schroders may suspend the withdrawal of units in a number of circumstances including where it is impractical to calculate the current unit value, due to, for instance, the closure of a securities exchange or as otherwise required by law. Withdrawal requests will generally be met from cash resources or by the disposal of investments in a Fund. Schroders may satisfy withdrawal requests by transfer of transferable investments to the unitholder ('**in specie' transfer**'). If agreed to by Schroders and a unitholder, investments that relate to an 'in specie' transfer will be valued on the date units are cancelled. All costs including any applicable stamp duty and other taxes incurred as a result of the transfer will be payable by the unitholder. Advance notice is required for all 'in specie' transfers.

If your investment account balance falls below the minimum balance of \$500,000 for a Professional Class or \$20,000 for a Wholesale Class of a Fund as a result of transactions you have made or attempt to make on your investment account, Schroders may cause your units to be compulsorily withdrawn without further notice to you.

Investors should contact Schroders if they have not received a confirmation of withdrawal within 5 Business Days after submitting a withdrawal request.

Withdrawal period of up to 21 days

Schroder All China Equity Opportunities Fund

Withdrawal period of up to 30 days

Schroder Australian Equity Fund

Schroder Sustainable Global Core Fund

Schroder Asian Shares Fund

Schroder Sustainable Growth Fund

Schroder Fixed Income Fund

Schroder Global Recovery Fund

Withdrawal period of up to 30 Business Days

Schroder Absolute Return Income Fund

Schroder Global Value Fund

Schroder Global Value Fund (Hedged)

Schroder Global Emerging Markets Fund

Schroder Wholesale Australian Equity Fund

Withdrawal period of up to 40 Business Days

Schroder Equity Opportunities Fund

Schroder Real Return Fund

Schroder Global Sustainable Equity Fund

Schroder Multi-Asset Income Fund

Schroder Emerging Markets Sustainable Fund

Cut-off times

The cut-off time for Schroders is normally 3pm Sydney time on a Dealing Day, and 11.15am for transactions made via mFund. Please note that the cut-off times for other administration platforms or certain ASX brokers may be earlier than Schroders' normal cut-off times. Withdrawal requests received by the relevant cut-off time on a Dealing Day and accepted by Schroders will normally be processed at the unit price calculated for that Business Day.

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

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

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

Staggering of withdrawals

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

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

- Schroder All China Equity Opportunities Fund

- Schroder Asian Shares Fund
- Schroder Australian Equity Fund
- Schroder Emerging Markets Sustainable Fund
- Schroder Equity Opportunities Fund
- Schroder Fixed Income Fund
- Schroder Global Recovery Fund
- Schroder Multi-Asset Income Fund
- Schroder Sustainable Global Core Fund
- Schroder Sustainable Growth Fund

Compulsory withdrawals

Schroders may, in limited circumstances and having regard to the best interests of unitholders as a whole, cause a unitholder's units to be compulsorily withdrawn without further notice to the unitholder. For example, this may occur where units would otherwise be acquired or held in violation of the terms and conditions of the PDS, the relevant Constitution, or in breach of law or requirements of any country or government or regulatory authority. Schroders may also exercise its right to prevent adverse consequences for a Fund, including a requirement to register under or otherwise comply with unfavourable laws and regulations of any country or authority.

In addition, where Schroders or a Fund incurs a liability in respect of a specific unitholder (for example, where the attribution of income results in a withholding tax liability for a Fund in respect of a particular unitholder that cannot reasonably be met using cash distributions payable to the unitholder), the relevant unitholder agrees that they will be deemed to have made a withdrawal request in respect of such units as are necessary for the liability to be met out of the withdrawal proceeds, and to have instructed Schroders to apply the proceeds of the withdrawal to satisfy the liability on behalf of the unitholder.

1.5 Non-dealing days

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

1.6 Terms and conditions of application and withdrawal

Units in a Fund will only be allocated following receipt and acceptance by Schroders of a completed application form, which accompanies the PDS and this Additional Information booklet, plus any other required documentation. Schroders has absolute discretion to

accept or reject any application. Please refer to the 'How to invest in a Fund' section for further information on applications. Please note that Schroders may require additional information or documentation about the investor(s) in addition to those detailed in the application form before accepting any applications. Withdrawal requests from a Fund will only be processed following receipt and acceptance by Schroders of a properly completed withdrawal form or other properly authorised instruction. Please refer to the 'How to withdraw from a Fund' section for further information.

Conditions and acknowledgements

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

1. Electronic communications terms and conditions

By sending an electronic communication (such as an email) the investor accepts the following terms and conditions:

- The investor authorises Schroders and any of its authorised agents to act upon instructions given electronically with respect to units subscribed for (and any further units purchased) or any matter in connection with them without any liability in respect of any transfer, payment or any other act done in accordance with such instructions, including payment of proceeds from sales of units.
- The investor bears the risk that someone who knows their account details may send Schroders an instruction to apply or withdraw electronically. 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 record on the investor's email software showing that an email has been sent is not evidence that the email was received by Schroders. Schroders is not liable for any loss or delay resulting from the non-receipt of any transmission.
- Initial applications, instructions to change payment details or signatories sent electronically will not be accepted without prior agreement by Schroders.
- The investor bears the risk of delays in processing instructions if an electronic communication is incorrectly sent (for example, an email to the wrong email address).

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

2. Signatories' terms and conditions

- If the application form is signed under power of attorney, the attorney declares that he/she has not received notice of revocation of that power. A certified copy of the power of attorney should be submitted unless it has already been provided previously to Schroders.
- If investing as trustee on behalf of a superannuation fund or trust, the trustee confirms that they have the power and authority under the relevant trust deed to invest on behalf of the superannuation fund or trust.
- If investing on behalf of an unincorporated entity, the officer confirms that they have the power and authority under the relevant Rules/Constitution to invest on behalf of the entity.
- In the case of joint applications, the investors agree to hold the units as joint tenants and acknowledge that, unless otherwise stated, either investor is able to operate the account, including making withdrawal requests and additional applications.
- If investing as a company/incorporated association, the investor confirms that they are officers of the company/incorporated association and that they have the authority to bind the company/incorporated association to the investment. If they are a sole signatory signing on behalf of a company, the investor confirms that they are signing as the sole director/secretary of the company.
- Applicants must be 18 years of age or over (otherwise applications must be made in the name of parent/guardian and signed by parent/guardian).
- Where a document received by Schroders bears a signature of an investor that has been applied electronically, or includes a scanned or other form of electronic copy of a signature of an investor, and the signature appears to be authentic, Schroders will be entitled to assume (without making any further enquiries) that the investor has applied, or has authorised the application of, the signature and authorised Schroders to act on the document as if it had been signed by the investor, and the investor agrees to release, discharge and indemnify Schroders, and any other related or associated entities of Schroders, from and against any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities, however arising as a result of the above.
- By making an application for units in the Fund the investor:
 - Agrees to be bound by the provisions of the PDS, this Additional Information booklet, the application form and the Fund's Constitution (which may be amended from time to time).

- Acknowledges that Schroders reserves the right to refuse an application for units at its discretion.
- Declares that the application was included in, or accompanied by, the current PDS and Additional Information booklet, which they have read.
- Acknowledges that neither Schroders nor any other person guarantees the return of capital, or the performance of any Fund.
- Acknowledges that telephone conversations with Schroders may be recorded.
- Authorises Schroders to apply the Tax File Number or Australian Business Number quoted to all investments in the name of the investor.
- Authorises Schroders to collect, hold, use and disclose personal information about the investor in accordance with Schroders' Privacy Statement and the privacy statement in the Additional Information booklet, including for direct marketing.

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

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

- Schroders will only pay the investor. Payment to third parties is not permitted.
- Schroders may treat the exercise of any power by a person reasonably believed to be acting as an investor's adviser/consultant/broker or authorised signatory as if the investor had personally exercised those powers. An investor cannot claim that their adviser/consultant/broker or authorised signatory was not acting on their behalf until the arrangement is discontinued by written notice being received by Schroders.
- Schroders is authorised to disclose information about an investor's investment in a Fund to the investor's adviser/consultant/broker or authorised personnel of the adviser/consultant/broker.
- The investor's adviser/consultant/broker or authorised signatory does not have the power to appoint another authorised signatory for an investor's investment. Only the investor has this power.
- The investor agrees to release, discharge and indemnify Schroders and any other related or associated entities of Schroders from and against any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities, however arising out of the use of this arrangement or the appointment or exercise of powers by the adviser/consultant/broker or authorised signatory.

- If the payment is made in accordance with the request or instructions of the adviser/consultant/broker 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/broker or authorised signatory, in accordance with the requests or instructions of the adviser/consultant/broker or authorised signatory, shall be to the complete satisfaction of the obligation of Schroders, notwithstanding whether 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/broker 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 without notice.

4. AML/CTF acknowledgement

By applying to invest in a Fund you warrant that:

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

You acknowledge that Schroders may, in its sole and absolute discretion but otherwise in accordance with the law, vary the terms of this Additional Information booklet and the relevant PDS or alter the arrangements

in respect of a Fund, where Schroders is required to do so due to changes in AML/CTF law.

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

5. Foreign Account Tax Compliance Act (FATCA) acknowledgement

Certain 'foreign financial institutions' (**FFIs**) are required to comply with FATCA. To avoid withholding tax of 30% on payments of US income or gross proceeds of the sale of certain US investments, the Funds as an FFI must comply with certain reporting requirements. These include the collection and reporting of certain information about US and US-owned investors to the US tax authorities. The Funds may request certain information from investors in the Funds to comply with each Fund's obligations under FATCA.

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

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

6. Common Reporting Standard (CRS)

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

7. US Persons

Neither Schroders nor the units in the Funds have been registered under the United States Investment Company Act of 1940, the United States Securities Act of 1933 (**US Securities Act**) or any other US law or regulation. Schroders generally will not accept applications made by US Persons (as that term is defined in the US Securities Act), and Schroders will generally cause the compulsory withdrawal of any units

held by a US Person, if to do otherwise may cause adverse consequences for a Fund, including requirements to register under or otherwise comply with US laws and regulations.

By making an application for units in a Fund, each investor:

- Confirms that they are not a US Person (or a person covered under any similar definition under any other applicable US law), unless otherwise notified to Schroders in writing; and
- Undertakes to inform Schroders in writing as soon as practicable if, after units are issued to them, they later become a US Person (or a person covered under any similar definition under any other applicable US law).

1.7 Privacy

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

Schroders may disclose your personal information to anyone you have authorised or any adviser, consultant, broker or dealer group advising you or acting on your behalf, government departments or agencies as well as any related entities of Schroders and anyone acting on Schroders and/or the adviser/consultant/broker/dealer group's behalf such as external service suppliers who supply administrative, financial or other services to assist Schroders and/or the adviser/consultant/broker/dealer group in providing financial services. If we are not able to collect all the personal information we require, we may not be able to assess your application for the investment product or manage the product. Schroders or its external service providers may be required to transfer your personal information to entities located outside of Australia including London, Luxembourg, India and Singapore where it may not receive the level of protection afforded under Australian law.

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

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

The Privacy Officer

**Schroder Investment Management Australia Limited
GPO Box 5059**

Sydney NSW 2001

Further information on how Schroders handles personal and sensitive information can be found in the Privacy Statement that is available on the Schroders website www.schroders.com.au. A copy of this Privacy Statement may be obtained free of charge upon request. The Privacy Statement also contains information about how you can access and correct the information about you held by Schroders as well as how complaints may be made and how they will be dealt with by Schroders.

1.8 Labour standards and environmental, social and ethical considerations

Schroders takes into account labour standards and environmental, social and ethical (**ESG**) considerations as part of its investment process, further detail of which is provided below and in the PDS for each relevant Fund. Schroders recognises that different asset classes, strategies, and investment time horizons require our Investment teams to adopt different perspectives pertaining to ESG to strengthen effective decision making. While Schroders does not have a pre-determined view as to what constitutes ESG considerations, the analysis of ESG considerations often relates to issues such as climate change, environmental performance, labour standards and board composition. Schroders does not implement a weighting system for taking into account ESG considerations.

Where Schroders has delegated investment management for a Fund to another member of the Schroders Group, these ESG considerations are taken into account by the investment manager for the purposes of selecting, retaining or realising investments of the Fund.

1.8.1 How Schroders categorises its funds from an ESG perspective

From an ESG-perspective, Schroders categorises its Funds broadly into two categories namely, ESG Integrated funds and Sustainable Investment funds. At a high level, the differences between the two categories may be set out as follows:

	ESG Integrated funds Primary aim is to achieve investors' financial objectives while incorporating ESG factors into the investment process.	Sustainable Investment funds Funds which promote ESG factors or a specific sustainability objective that may have a focused investment universe.
Negative Screens According to Schroders' Excluded Securities policy.	✓	✓
Negative Screens Fund-specific exclusions as detailed in each relevant Fund's PDS	✗	✓
Monitoring Checks to monitor continuous compliance with negative screens	✓	✓
Active Ownership Dialogue, engagement, and voting	✓	✓
Sustainable Investment Framework Guides the investment team when taking account of ESG considerations	✗	✓

ESG Integrated Funds

ESG integration means that our fund managers and analysts systematically and explicitly take account of ESG considerations alongside traditional financial analysis with a focus on prioritising investor returns. Schroders believes that ESG integration provides a more comprehensive assessment of investment opportunities as it captures ESG-related risks and opportunities associated with various securities which assists our investment teams in decision-making, security valuation, and forecasts of future return potential.

For the purposes of this document, all Funds adopt ESG integration into their investment process which is implemented practically in three important ways namely, **Negative Screens**, **Monitoring**, and **Active Ownership**.

Negative Screens

At a minimum, all of our Funds are subject to our excluded securities policy, which is available on our website

<https://www.schroders.com/getfunddocument?oid=1.9.2538141> (**Excluded Securities Policy**). This policy does not apply to Funds of funds or portfolios managed by third party investment firms, or those in which we do not have discretion over security selection. In particular, where Schroders portfolios invest in market indices, externally managed investments including ETFs and other managed funds, these exclusion criteria will not apply. The main groups of securities that are excluded by the Excluded Securities Policy include companies that:

- **derive any revenue from the manufacture of Tobacco as defined in the Excluded Securities Policy**, being those securities issued by companies that manufacture tobacco products. This exclusion does not apply to companies generating revenue from the sale and distribution of tobacco, such as supermarkets;
- derive any revenue from the manufacture, sale or distribution of cluster munitions, anti-personnel mines, biological and chemical weapons as assessed by Schroders plc and applied to all investments globally for the Schroders Group. The Schroders Group fully supports the international conventions on cluster munitions and anti-personnel mines, biological and chemical weapons and we will not knowingly hold any security that will derive any revenue from these sources;
- **derive 5% or more of gross revenue from nuclear weaponry manufacture**. Schroders has identified a list of securities that derive 5% or more of revenue from the manufacture of nuclear weaponry. This list is updated from time to time and is available on the Schroders website. This exclusion does not apply to companies generating revenue from the sale and distribution of nuclear weaponry; and
- **generate 20% or more of gross revenue from thermal coal mining**. The exclusion does not include companies operating in other areas of the

thermal coal mining industry, for example equipment suppliers or electric utilities.

In applying the Negative Screens the revenue of a company will be based on information provided by third party data providers such as, but not limited to, MSCI.

Monitoring

Schroders does not employ a bespoke approach for monitoring and reviewing ESG considerations relevant to our Funds. Where ESG considerations form part of a Fund's investment guidelines by way of Negative Screens, these are monitored as part of the automated daily pre- and post-compliance checks for the Fund's investments in accordance with our standard investment compliance process. Generally, if an investment guideline is no longer met, the relevant asset is divested by the Fund in an orderly manner as determined by Schroders as Responsible Entity for that Fund. In certain circumstances the relevant investment team may choose to maintain an investment despite it breaching an investment guideline, such as where they determine that its ESG outlook is expected to improve or the breach will only be temporary.

The Sustainable Investment Funds will apply additional screens relevant to the Fund's investment strategy. These are discussed further below.

Active Ownership

Schroders' Active Ownership philosophy entails three key pillars: dialogue, engagement and voting. Schroders will partake in any or all three of these actions as and when it sees fit. Active Ownership can also be referred to as Active Stewardship. Details about these three key pillars are available via this link: <https://api.schroders.com/document-store/id/9c8fb97b-7e95-4eda-b147-069b38e5f4a1>.

Dialogue and engagement

Dialogue and engagement may enable us to gain insight into companies' practices and future plans relating to ESG, raising ESG-related concerns with company management, and influencing them towards behaviour we consider to be more favourable through various forms of communication such as phone calls and meetings as and when we deem necessary. Schroders may engage on various ESG-related topics it deems to be important, such as reducing carbon emission output and responsible treatment of employees and customers.

Voting

Schroders uses voting as one of the key ways to communicate our views and positively influence how a company is run. We vote on a variety of resolutions many of which are corporate governance-related, such as the approval of directors and accepting reports and accounts. Schroders seeks to vote on all resolutions at all shareholder meetings globally except where there are restrictions that make it onerous or expensive to vote compared against the benefits of doing so. For example, we may not vote in markets where share-blocking is allowed, as this could restrict the trading of shares which are to be voted upon. Further information

on our voting policy and practices can be found in our Environmental, Social and Governance Policy for Listed Assets and monthly disclosure of our global voting can be found here:

<https://vds.issgovernance.com/vds/#/MTAwMzE=>.

Schroders' Engagement Blueprint sets out the long-term outcomes we desire to see from companies in areas of climate change, natural capital and biodiversity, human rights, human capital management, diversity and inclusion and corporate governance. The Engagement Blueprint can be accessed here:

<https://mybrand.schroders.com/m/20fba650f070c4c9/original/Schroders-Australia-Engagement-Blueprint-2023.pdf>.

In 2021, at a global level, Schroders held over 2,100 sustainability-focused engagements, interacting with over 1,600 companies across 58 countries. More information on Schroders engagement and voting activities can be found in our quarterly Sustainability Investment Reports on our website.

In the event we are undertaking significant Active Ownership activities, we will provide regular updates to investors of any outcomes we consider significant.

Sustainable Investment funds

As at the date of this document, our Sustainable Investment funds are the **Schroder Sustainable Growth Fund, Schroder Sustainable Global Core Fund, Schroder Global Sustainable Equity Fund**, and the **Schroder Emerging Markets Sustainable Fund**. Our Sustainable Investment funds apply the investment approach described above for ESG Integrated funds and also go further by incorporating ESG criteria within the investment process that are unique to the relevant Fund, as detailed in each Sustainable Investment Fund's PDS and this document. Schroders does not adopt a 'one-size-fits-all' approach to sustainable investment, but Schroders will determine a Fund to be a Sustainable Investment fund where, at a minimum there is:

- a. a robust, consistent application of specific ESG criteria by the relevant Investment team across all the Fund's assets which guides them when considering ESG-related factors, which fits within the core parts of the team's investment process and is applied across the team's investment decisions (**Sustainable Investment Framework**); and
- b. a process in place to ensure that the Sustainable Investment Framework is applied consistently, improved on and updated from time to time as the Investment team sees fit.

The Investment teams managing our Sustainable Investment funds may use one or more of Schroders' proprietary tools that are designed to help our analysts, fund managers and clients identify and assess ESG considerations to help ensure they are reflected in investment decisions and security valuations. The sources of information used by Schroders to assess a company's ESG credentials using its proprietary tools include quantitative information such as fundamental

accounting data and third-party ESG data as well as qualitative information gained from our Active Ownership activities described above.

Further information on ESG matters for the Schroder Sustainable Growth Fund

The Fund seeks to achieve its sustainability objectives by:

1. **Negative Screens** - applying revenue exclusion screens including those listed in the Excluded Securities Policy (as explained further above under 'Negative Screens') as well as the additional Negative Screens (Fund Specific) (which are explained further below).
2. **Sustainability Scores and Carbon Intensity Scores** - using our proprietary quantitative and qualitative tools (such as SustainEx) which measure sustainability and, to a lesser extent, governance practices to favour companies with positive or improving Sustainability Scores and good or improving governance.
3. **Seeking to drive more sustainable practices** - our view is that excluding companies that have committed to improvements that lower ESG risks will not drive this goal in the long term. Accordingly, the Fund may, on an exceptions basis, hold securities in companies that fail the Negative Screens if Schroders considers that the companies nonetheless are, or have committed to, contributing positively to broader ESG initiatives. Some examples of ESG initiatives that we may consider include, but are not limited to, issuance of green bonds and businesses that have science based targets ratified by the Science Based Target Initiative (SBTi) to align their business models to net zero emissions targets.

Sustainability Score and Carbon Intensity Score

The Sustainability Score (as defined in the Fund's PDS) is a measure of the positive or negative impact of sustainability and governance externalities at the security level determined by Schroders' proprietary impact measurement tool, SustainEx. Positive externalities may include medicine provision and recycling, a diverse Board composition, whilst negative externalities may include high carbon emissions, tax avoidance measures and Board meetings not being conducted on a regular basis. The Sustainability Score estimates the net impact on the company's annual gross revenue if those externalities were brought to account. By achieving a higher Sustainability Score than the SAA benchmark, the Fund will have less revenue at risk (as estimated by SustainEx) to potential regulatory or behavioural changes (for example, if legislation prohibits or mandates certain sustainability behaviours). The primary sources of information used by SustainEx to calculate the Sustainability Score includes third-party data.

The Carbon Intensity Score (as defined in the Fund's PDS) contributes to a company's overall Sustainability Score and is a measure of a company's carbon

emissions, having regard to the size of the company. The Fund's Carbon Intensity Score is sourced from third party data and covers both scope 1 (direct emissions resulting from energy production) and scope 2 (indirect emissions, resulting from energy use). By achieving a lower Carbon Intensity Score, the Fund is reducing its exposure to companies with business models most at risk to the transition to net zero emissions.

The Fund's Sustainability Score and Carbon Intensity Score are measured daily and reported to investors monthly, on both an absolute basis and relative to the SAA benchmark. In addition, any investment or loan to companies that fail the Negative Screens, but which Schroders has determined to include in the portfolio on an exceptions basis, is also reported monthly with the investment rationale provided.

Negative Screens specific to the Schroder Sustainable Growth Fund

Subject to the exceptions set out in the Fund's PDS and in addition to the Excluded Securities Policy (described in more detail above), the Fund will also apply the following revenue exclusion screens (**Negative Screens (Fund Specific)**) to all assets of the Fund to ensure the Fund will not invest in securities issued by companies that derive:

- any gross revenue from tobacco production (or production of harmful nicotine alternatives). The exclusion for companies deriving revenue from the sale and distribution of tobacco is detailed below;
- any gross revenue from manufacture of controversial weapons including nuclear, biological and chemical weapons, landmines, cluster munitions and depleted uranium manufacturers. This exclusion does not apply to companies deriving revenue from the sale and distribution of controversial weapons;
- more than 5% of gross revenue from gambling, adult entertainment, uranium extraction & production of controversial weapons;
- more than 10% of gross revenue from fossil fuel and gas extraction & production (this does not include companies generating revenue from the sale and distribution of fossil fuel and gas), distribution and sales of tobacco or alcohol;
- more than 20% of gross revenue from fossil fuel power generation, including oil, gas and coal.

In applying the Negative Screens (Fund Specific) the revenue of a company will be based on financial information provided by third party data providers such as MSCI.

These Negative Screens do not apply to funds or portfolios managed by third party investment firms, or those in which we do not have discretion over security selection. In particular, where the Fund invests in market indices, externally managed investments including ETFs and other managed funds, the above exclusion criteria will not apply.

Further information on ESG matters for the Schroder Sustainable Global Core Fund, Schroder Sustainable Global Sustainable Equity Fund and the Schroder Emerging Markets Sustainable Fund

Assessment of ESG characteristics

Schroders considers ESG characteristics when selecting, retaining and realising investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The ESG characteristics of a company will impact the eligibility of the company for inclusion in the portfolio and sizing of its position in the Fund. Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy. Companies will be given a rating depending on whether the Investment Team considers the relevant criteria to be positive (for example, implementing good governance policies) or negative (poor supply chain management), and the rating will determine eligibility for inclusion and position sizing in the portfolio.

Schroders uses its own proprietary tools to identify and assess a company's ESG characteristics. The sources of information used by Schroders to assess a company's ESG characteristics using its proprietary tools include quantitative information such as fundamental accounting data and third-party ESG data as well as qualitative information gained from our Active Ownership activities described above.

Negative screens specific to Schroder Sustainable Global Core Fund, Schroder Sustainable Global Sustainable Equity Fund and the Schroder Emerging Markets Sustainable Fund

In addition to the Excluded Securities Policy, Schroders applies the following exclusion screens (**Negative Screens (Fund Specific)**):

- more than 10% of gross revenue from thermal coal mining. The exclusion does not include companies operating in other areas of the thermal coal mining industry, for example equipment suppliers or electric utilities;
- more than 30% of gross revenue from thermal coal power generation;
- more than 10% of gross revenue from the manufacture of tobacco. The exclusion for companies deriving revenue from the sale and distribution of tobacco is detailed below; and
- more than 25% of gross revenue from the sale and distribution of tobacco.

In applying the Negative Screens (Fund Specific) the revenue of a company will be based on financial information provided by third party data providers such as MSCI. These Negative Screens do not apply to funds or portfolios managed by third party investment firms, or those in which we do not have discretion over security selection. In particular, where the Fund invests in market indices, externally managed investments including ETFs and other managed funds, the above exclusion criteria will not apply.

1.8.2 About sustainability at Schroders

The following are some of the ways that Schroders seeks to incorporate ESG into its business.

Sustainable Investment team

We have a dedicated Sustainable Investment team in London, with representatives across the APAC region who work with stakeholders across the business to help identify and analyse emerging trends, regulatory developments, and industry best practice pertaining to ESG that may be significant for Schroders' business.

Schroders memberships

Schroders is an active member of a number of investor groups focused on promoting ESG considerations and dealing with specific issues or industries, or with whom we collaborate on various industry initiatives. We became a signatory to the PRI Association (**PRI**), a leading promoter of responsible investment practices supported by the United Nations in 2007. The UN PRI in 2021, and Schroders received scores of 4 and 5 stars across all modules in the new reporting structure for 2021 (reflecting our activity during 2020).

Schroders is also a member of the Responsible Investment Association of Australasia (**RIAA**). As at the date of this document, the **Schroder Sustainable Growth Fund** and the **Schroder Sustainable Global Core Fund** have each been certified by RIAA and this accreditation is reviewed by RIAA annually. RIAA has accredited these funds according to the strict operational and disclosure practices required under its Responsible Investment Certification Program. Please see www.responsiblereturns.com.au for further details. A full list of organisations we support is available from our Client services team (details can be found on page 1).

Our ESG Related Policies and Disclosures

We believe transparency is an important feature of effective ESG integration. We produce a number of publicly available reports for clients on our sustainability and ESG-related activities. All of these reports are available on our website on our policies and notices page. A copy of these policies and statements may also be obtained free of charge upon request by contacting our Client services team (details can be found on page 1).

1.9 Investor suitability and target market determinations

In accordance with our 'design and distribution' obligations under Part 7.8A of the Corporations Act, we have considered the design of each Fund (including its key attributes) and determined an appropriate target market for each Fund – that is, a class of investors for whom a Fund, including its key attributes, we consider would likely be consistent with their likely objectives, financial situation and needs. These considerations are documented in a Target Market Determination (**TMD**) for each Fund, and a summary of our determination is set out in the PDS for each Fund.

A copy of the current TMD for each Fund is available on the Schroders website www.schroders.com.au. Copies

of historical TMDs can also be obtained by contacting Schroders at the address specified in the 'Contacting Schroders' section.

We may from time to time seek information from individual investors to ensure that each Fund is distributed in accordance with its TMD or to otherwise fulfil our obligations under the DDO Regime.

2. Significant risks of investing in a Fund

2.1 About a Fund's risk level

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

2.2 Investment risks

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

Market risk

The market as a whole, or a particular market segment or asset class, may be affected by events such as changes in legislation, economic policy, political events, technological change, changes in global economic conditions (e.g. growth and inflation) and pandemics or health crises. These events can be unpredictable and can have broad ranging impacts. The assets of the Fund are exposed to market risk to varying degrees, and there is a risk that occurrence of such events may have an adverse impact on the value of some or all of the assets of the Fund, causing reductions in the value of the Fund's units.

Equities risk

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

Interest rate risk

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

Credit risk

Credit risk arises when an issuing entity defaults or a borrower does not meet its interest and/or principal payment obligations, which results in a loss of capital to the Fund. Investments in debt securities with a lower credit rating generally have a higher risk that the issuing entity will be unable to pay interest and principal when due.

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

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

Entity risk

An investment in any entity, such as a share or corporate bond in a company, is exposed to changes within that entity, or to its business environment. These events include changes to operations and/or management, changes to product distribution, legal action against the entity or profit and loss announcements. These changes may affect the value of the Fund's investments (and thus the value of the Fund). In addition, there is a risk that if the entity becomes insolvent, the Fund's right of recovery against the assets of the entity may rank lower than the secured creditors of the entity.

International investments risk

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

Emerging Markets/Frontier Markets risk

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

Currency risk

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

Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of an

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

Over-the-counter (OTC) derivatives risk

Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments and may be more exposed to default and counterparty risks. This, in turn, may expose the Fund to the risk that a counterparty will not settle a contract, causing the Fund to suffer a loss. In addition, the prices of such instruments may include a dealer mark-up which the Fund may pay as part of the purchase price. The extent of counterparty risk for OTC instruments depends on whether it is traded and settled between two counterparties or cleared through a Central Counterparty Clearinghouse (CCP) or clearing broker. Those trades not cleared through a CCP are exposed to the risk that a counterparty will not settle a contract resulting in a loss to the Fund. This risk is mitigated to the extent that collateral is transferred or pledged in favour of the Fund and available to cover any potential default.

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

Asset liquidity risk

Asset liquidity risk relates to the probability of loss arising from the difficulty of selling an investment due to insufficient buyers or sellers in the open market or other prevailing market conditions. The level of liquidity can fluctuate especially for smaller or microcap company shares, high yield and corporate debt. In these circumstances, in addition to the potential loss that the Fund may suffer if required to sell assets, the generally acceptable timeframe for satisfying withdrawal requests may not be able to be met and/or the transaction costs associated with the withdrawal may be higher.

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

Alternatives risk

The Fund may invest in Alternatives in order to achieve its performance objective. Alternatives refers to the broad range of assets falling outside the "traditional" asset classes of equities, fixed income and cash, including private equity and debt, commodities, and insurance-linked securities. Alternatives is a broad definition and different types of Alternatives will carry

different types of risks. The key risks associated with the Alternatives which the Fund may hold include (but are not limited to):

- illiquidity and pricing risk – Alternatives which are not publicly traded on an exchange, such as private debt and private equity, are generally less liquid and have less efficient price discovery mechanisms, which can create uncertainty in their market value and make it more difficult to realise them at their market value if required to do;
- weather events and natural disasters – Alternatives which are linked to physical assets, such as real estate, commodities and insurance-linked securities, are more vulnerable to events such as extreme weather, climate change, natural disasters, environmental issues and other matters which can be difficult to predict and which are beyond the Fund's control; and
- complexity – investments into Alternatives can have more complex structures than traditional assets, their features are generally less well understood, and investing in certain types of Alternatives may require specialist knowledge or training. Compared to traditional assets, there is a greater risk of the investment team overlooking or misjudging a relevant factor when investing in Alternatives.

Counterparty risk

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

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

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

Regulatory and legal risk

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

of foreign capital. Such changes may result in the Fund failing to achieve its investment objectives.

Pricing risk

While assets in the Fund are generally priced by us using independent pricing sources, there may be circumstances in which it is difficult for the fair value of assets to be determined, for example, where the Fund holds securities that have been suspended or are not traded on a recognised stock exchange, or the Fund holds difficult-to-value assets like loans or other assets that are not regularly or easily traded.

In these circumstances, there is a risk that the valuation of the security or asset may not accurately reflect its true value or what could be realised in an orderly sale of that security or asset.

Conflicts of interest risk

A conflict of interest arises when a party is subject to multiple competing interests. In the context of the Fund, this may arise where Schroders, one of its agents or service providers, or their respective directors or employees, has a personal interest that is inconsistent with the best interests of investors, or if Schroders is required to make decisions which may affect different unitholders with competing interests. Schroders maintains a conflicts of interest policy to ensure that all conflicts of interest (actual or perceived) are identified and appropriately managed.

Cyber security risk

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

Chinese investment risk

The following risk factors apply specifically to the Schroder All China Equity Opportunities Fund due to its exposure to Chinese companies and the Chinese market:

- **Chinese currency and asset repatriation risk** – the Fund may have exposure to securities denominated in RMB. The RMB exchange rate is not a freely floating rate that is determined by market forces. Instead, it is a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies, and the daily trading price of the RMB against other major currencies in the interbank foreign exchange market is allowed to float within a narrow band around the central parity published by the PRC. Movements between the RMB and the Australian dollar will impact the Fund's investment returns. The repatriation of RMB, and of funds invested in onshore Chinese securities, may also be subject to foreign exchange control policies and restrictions that may impact the Fund.
- **China market risk** – the Fund's investments will be subject to risks specific to the China market. Any significant change in the PRC's political, social or

economic policies or taxation laws may have a negative impact on investments in the China market. The regulatory and legal framework for capital markets in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. All of these matters could affect the investment returns of the Fund.

- **RQFII status risk** – entities in the Schroders Group hold RQFII status which allow them to invest directly on PRC’s capital markets, up to the RQFII quota allocated to it by the PRC State Administration of Foreign Exchange. This RQFII status may be suspended or revoked and this may adversely affect the Fund’s performance by requiring the Fund to dispose of its securities holdings. In addition, the Fund may not have exclusive use of the entire RQFII quota granted to Schroders Group entities, as they may in their discretion allocate the RQFII quota which may otherwise have been available to the Fund to other funds that it manages. These matters may limit the Fund’s ability to carry out dealings in the underlying assets, which would adversely impact the ability of the Fund to achieve its investment objectives.
- **Stock Connect risk** – the Fund may have exposure to China A-Shares acquired through Stock Connect, subject to applicable regulatory limits. Stock Connect is a securities trading and clearing linked program that allows foreign investors to trade China A-Shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange through Hong Kong based brokers. Investments made through Stock Connect are subject to a variety of additional risks associated with reliance on the program including technology risk, clearing and settlement risk and regulatory risk.
- **Geopolitical risk** – geopolitical tensions between the PRC and other nations, including the United States, and ongoing political uncertainties relating to the governance of Hong Kong, and the actions taken by the governments of those nations in response to such tensions and uncertainties such as sanctions, tariffs and military conflict, may have a direct impact on the Fund’s ability to access PRC capital markets and on the value of the Fund’s assets.

Sustainability risk

The risk that any Sustainable investment fund (as defined in the ‘Labour standards and environmental, social and ethical considerations’ section of this Additional Information booklet) may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria applied by Schroders as the investment manager. Accordingly, the relevant fund may invest in companies that do not reflect the beliefs and values of any particular investor.

Fund risk

The following risks are inherent in the Fund:

- the investment team may change, which may affect the Fund’s future performance;
- investing in the Fund may result in a different outcome to investing directly because of the application of tax laws to the Fund, income or capital gains accrued in the Fund, the deduction of fees and costs, and the impact of investments into and withdrawals out of the Fund by other investors;
- investments into and withdrawals out of the Fund by other investors may also impact the taxable income distributed to an investor during a financial year as those cash flows trigger asset purchases and sales;
- the costs of your investment may increase through an increase in fees and costs. If management fee increases occur, we will provide at least 30 days’ prior written notice of any such increase (see ‘Changing the fees’ in the ‘More detailed information about fees and costs’ section of this document);
- the Fund may be terminated; and
- investing in a fund with a smaller number of investments may lead to more volatile returns than investing in a fund with a more diversified portfolio.

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

3. More detailed information about fees and costs

Additional explanation of fees and costs

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

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

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

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

reflect Schroders' reasonable estimates as at the date of the PDS of the costs that will apply for the current financial year (adjusted to reflect a 12-month period). Investors in the Funds typically will not bear any establishment fees, contribution fees, withdrawal fees, exit fees or switching fees.

Management fees and costs

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

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

1. Management fees

This is the fee for Schroders' services as Responsible Entity in overseeing the operations of the Fund and/or for providing access to the Fund's underlying investments.

Schroders is entitled to management fees as set out in each individual PDS for the relevant Fund and these fees are calculated based on the NAV of that Fund (inclusive of GST less any RITC entitlement). Schroders may rebate all or part of its management fees to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. For further information on negotiated fees, see the 'Differential Fees' section below.

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

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

2. Indirect costs

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

The management fees and costs figure disclosed in the fees and costs summary of each Fund's PDS includes the estimated indirect costs of each Fund, which is the amount actually incurred by each Fund for the previous financial year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of the relevant PDS, or, where a Fund has not been offered for a full financial year as at the date of the PDS,

an amount that reflects Schroders' reasonable estimate of the costs for the current financial year as at the date of the relevant PDS adjusted to reflect a 12 month period. These indirect costs are reflected in the unit price of your investment in the relevant Fund and include any underlying (indirect) management fees and costs and other indirect costs. The indirect costs may vary from year to year, including to the extent that they rely on estimates.

These indirect costs include:

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

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

3. Expense recoveries

Normal expense recoveries

Schroders is entitled to separately recover expenses (such as fund accounting, unit registry, audit costs, postage, trade reporting and preparation of tax returns etc) from the assets of a Fund. Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by Schroders from the assets of a Fund.

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

Abnormal expense recoveries

Schroders may also recover abnormal expenses (such as costs of unitholder meetings, changes to constitutions, and defending or pursuing legal proceedings) from a Fund.

Abnormal expenses are not generally incurred during the day-to-day operation of a Fund and are not necessarily incurred in any given year. In circumstances where such events do occur, we may decide not to recover these from a Fund.

The management fees and costs figure disclosed in the fees and costs summary of each Fund's PDS includes the estimated abnormal expense recoveries of each Fund, which is the amount actually incurred by each Fund for the previous financial year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of the relevant PDS, or, where a Fund has not been offered for a full financial year as at the date of the PDS, an amount that reflects Schroders' reasonable estimate of the costs for the current financial year as at the date of the relevant PDS adjusted to reflect a 12 month period.

Performance fees

1. Schroders Equity Opportunities Fund

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

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

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

We set out below an example of when a performance fee¹ may be accrued and payable for the Schroder Equity Opportunities Fund.

Daily performance fee accrual example calculated over 4 days

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

Payment of performance fee on Payment Date

Aggregate daily performance fee on the Payment Date	Outcome
If the aggregate daily performance fee on the Payment Date is a positive amount.	The positive amount is payable to the Responsible Entity.
If the aggregate daily performance fee on the Payment Date is a negative amount.	No performance fee will be payable to the Responsible Entity for the period. The aggregate daily performance fee will be carried over to the next period and will reduce the daily performance fee for the first day of the next period.

¹It is not possible to reliably estimate the actual performance fee payable in any given period as we cannot accurately forecast what the performance of the Fund will be.

²For illustrative purposes Schroders has provided examples of daily underperformance/outperformance of 0.05% or 0.1% across four days. The performance fee example is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund. The actual level of outperformance can be higher or lower. We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this in determining whether or not to invest in the Fund.

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

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

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

It is not possible to disclose the actual performance fee payable in any given period, as we cannot forecast what the performance of the Fund will be. In relation to the Professional Class of units, Schroders' estimate of the performance fee payable, based on the average performance fee incurred for the previous 5 financial years, is 0.20% p.a. of the NAV of the Fund. In relation to

the Wholesale Class of units, Schroders estimates that, based on the average performance fee incurred for the previous 5 financial years, no performance fee will be payable and a negative performance fee will be recorded of -0.43% p.a. of the NAV of the Fund.

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

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

2. Schroder Real Return Fund and Schroder Emerging Markets Sustainable Fund

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

However, Schroders is entitled to charge a performance fee under the constitutions of the Schroder Real Return Fund and the Schroder Emerging Markets Sustainable Fund. The maximum fees that Schroders is entitled to charge for each Fund is set out in the PDS for that Fund.

If Schroders determines to charge a performance fee for any of the Funds listed in the preceding paragraph in the future, we will provide you with at least 30 days' advance notice.

The performance fee figure disclosed in the fees and costs summary of the PDSs for each of the Funds listed in the preceding paragraph is Schroders' reasonable estimate of the performance fee payable for that Fund, based on the average performance fee incurred by the Fund for the previous 5 financial years, which for each of those Funds is 0% p.a. of the NAV of the Fund as Schroders has not charged any performance fee in respect of those Funds in the past 5 financial years.

3. Performance fees charged by interposed vehicles

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

However, Schroders may, as Responsible Entity of each Fund, cause a Fund to invest in an interposed vehicle (such as an underlying fund) which charges a performance fee. Such fees, if charged, would reduce the value of the Fund's investment in the interposed vehicle, and in turn the net asset value of the Fund. As at the date of this Additional Information Booklet, the Schroder Real Return Fund, the Schroder Fixed Income Fund, the Schroder Absolute Return Income Fund and the Schroder Multi-Asset Income Fund each invest in interposed vehicles (such as an underlying fund) which charge a performance fee.

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

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

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

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

Fund	Estimated interposed vehicle performance fee
Schroder Absolute Return Income Fund	0.01% p.a. of the NAV of the Fund
Schroder Fixed Income Fund	0.01% p.a. of the NAV of the Fund
Schroder Multi-Asset Income Fund	0.02% p.a. of the NAV of the Fund
Schroder Real Return Fund	0.01% p.a. of the NAV of the Fund

Transaction costs

Transaction costs are the costs incurred when assets are bought and sold by the Fund and include brokerage, buy-sell spreads, settlement costs (including custody costs), clearing costs and stamp duty.

Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by a Fund and certain costs in relation to derivative financial products.

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

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

The estimated transaction costs figure disclosed in the fees and costs summary of each Fund's PDS reflect the

amount actually incurred by the Fund for the previous financial year, including Schroders reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of the relevant PDS, or, where a Fund has not been offered for a full financial year as at the date of the PDS, an amount that reflects Schroders' reasonable estimate of the costs for the current financial year as at the date of the relevant PDS adjusted to reflect a 12 month period.

The **Transaction costs** table below sets out, for each Fund, the total gross transaction costs, the amount recovered through the buy/sell spread, and the net transaction costs after buy/sell spread recoveries (or an estimate if the amount is not known for each Fund). Each Fund's estimated and/or historical transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future. Details of any future changes to transaction costs will be provided by Schroders' website at www.schroders.com.au where they are not otherwise required to be disclosed to investors under law.

Buy/sell spreads

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

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

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

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

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

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

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

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

Reinvested distributions do not incur the buy/sell spread.

Buy/sell spreads

Schroder Funds	Sub-Sector	Class of Fund	Estimated buy/sell spread range
Schroder Australian Equity Fund	Australian Equities	Professional	0.2% on both application and withdrawal
Schroder Equity Opportunities Fund	Australian Equities	Wholesale	0.30% on both application and withdrawal
Schroder Equity Opportunities Fund	Australian Equities	Professional	0.30% on both application and withdrawal
Schroder Wholesale Australian Equity Fund	Australian Equities	Wholesale	0.2% on both application and withdrawal
Schroder Wholesale Australian Equity Fund	Australian Equities	Professional	0.2% on both application and withdrawal
Schroder Absolute Return Income Fund	Fixed Income	Wholesale	0.15% on both application and withdrawal
Schroder Absolute Return Income Fund	Fixed Income	Professional	0.15% on both application and withdrawal
Schroder Fixed Income Fund	Fixed Income	Professional	0.12% on both application and withdrawal
Schroder Fixed Income Fund	Fixed Income	Wholesale	0.12% on both application and withdrawal
Schroder Multi-Asset Income Fund	Multi-Asset	Wholesale	0.18% on both application and withdrawal
Schroder Real Return Fund	Multi-Asset	Professional	0.20% on both application and withdrawal
Schroder Real Return Fund	Multi-Asset	Wholesale	0.20% on both application and withdrawal
Schroder Sustainable Growth Fund	Multi-Asset	Professional	0.15% on both application and withdrawal
Schroder Sustainable Growth Fund	Multi-Asset	Wholesale	0.15% on both application and withdrawal
Schroder Emerging Markets Sustainable Fund	QEP Global Equities	Wholesale	0.30% on both application and withdrawal
Schroder Global Sustainable Equity Fund	QEP Global Equities	Wholesale	0.20% on application. 0.15% on withdrawal
Schroder Global Value Fund	QEP Global Equities	Wholesale	0.20% on application. 0.15% on withdrawal
Schroder Global Value Fund (Hedged)	QEP Global Equities	Wholesale	0.23% on application. 0.18% on withdrawal
Schroder Sustainable Global Core Fund	QEP Global Equities	Wholesale	0.15% on application. 0.10% on withdrawal
Schroder All China Equity Opportunities Fund	Regional and Overseas Equities	Wholesale	0% on both application and withdrawal
Schroder All China Equity Opportunities Fund	Regional and Overseas Equities	Professional	0% on both application and withdrawal
Schroder Asian Shares Fund	Regional and Overseas Equities	Wholesale	0.25% on both application and withdrawal
Schroder Global Emerging Markets Fund	Regional and Overseas Equities	Wholesale	0.30% on both application and withdrawal

Schroder Global Recovery Fund	Regional and Overseas Equities	Wholesale	0.30% on application. 0.15% on withdrawal
Schroder Global Recovery Fund	Regional and Overseas Equities	Professional	0.30% on application. 0.15% on withdrawal

¹While a buy-sell spread is not currently charged for the Schroder All China Equity Opportunities Fund, applications and withdrawals from that Fund may require the Fund to make corresponding applications and withdrawals from SISF All China Equity (to the extent that the Fund holds shares in SISF All China Equity), which could (depending on whether swing pricing is being applied) result in implicit costs for the Fund. Please refer to section 2 of the PDS of the Fund under "swing pricing" for further details.

Transaction costs

Schroder Funds	Sub-Sector	Total transaction costs as % of NAV ¹	Buy/sell spread recovery % NAV ¹	Net transaction costs as % of NAV ¹
Schroder Australian Equity Fund	Australian Equities	0.13%	0.1%	0.03%
Schroder Equity Opportunities Fund	Australian Equities	0.43%	0.43%	0%
Schroder Wholesale Australian Equity Fund	Australian Equities	0.10%	0.07%	0.03%
Schroder Absolute Return Income Fund	Fixed Income	0.13%	0.11%	0.02%
Schroder Fixed Income Fund	Fixed Income	0.16%	0.05%	0.11%
Schroder Multi-Asset Income Fund	Multi-Asset	0.21%	0.09%	0.12%
Schroder Real Return Fund	Multi-Asset	0.21%	0.08%	0.13%
Schroder Sustainable Growth Fund	Multi-Asset	0.27%	0.09%	0.18%
Schroder Emerging Markets Sustainable Fund	QEP Global Equities	0.43%	0.19%	0.24%
Schroder Global Sustainable Equity Fund	QEP Global Equities	0.31%	0.31%	0%
Schroder Global Value Fund	QEP Global Equities	0.27%	0.14%	0.13%
Schroder Global Value Fund (Hedged)	QEP Global Equities	0.50%	0.13%	0.37%
Schroder Sustainable Global Core Fund	QEP Global Equities	0.07%	0.02%	0.05%
Schroder All China Equity Opportunities Fund	Regional and Overseas Equities	0.29%	0.11%	0.18%
Schroder Asian Shares Fund	Regional and Overseas Equities	0.10%	0.07%	0.03%
Schroder Global Emerging Markets Fund	Regional and Overseas Equities	0.13%	0.08%	0.05%
Schroder Global Recovery Fund	Regional and Overseas Equities	0.19%	0.14%	0.05%

¹All estimates of the transaction costs (including the buy-sell spread recovery) are based on information as at the date of this 'Additional Information to the PDS' booklet. The transaction costs reflect the actual amounts incurred for the previous financial year (except where the relevant Fund has not been offered for a full financial year), including Schroders' reasonable estimates where information was not available at the date of this 'Additional Information to the PDS' booklet.

²While a buy-sell spread is not currently charged for the Schroder All China Equity Opportunities Fund, applications and withdrawals from that Fund may require the Fund to make corresponding applications and withdrawals from SISF All China Equity (to the extent that the Fund holds shares in SISF All China Equity), which could (depending on whether swing pricing is being applied) result in implicit costs for the Fund. Please refer to section 2 of the PDS of the Fund under 'swing pricing' for further details.

You can determine the dollar value of these costs over a 1-year period by multiplying the transaction cost rate with your average account balance. For example, the value of transaction costs on an average account balance of

\$50,000 invested in the Schroder Global Value Fund is \$65 (being approximately 0.13% p.a.). However, such costs for future years may differ. Details of any future changes to such costs will be provided on Schroders' website at

www.schroders.com.au where they are not otherwise required to be disclosed to investors under law.

Taxation of the Fund

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

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

Costs of mFund and other broker assisted channels

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

Additional payments made by Schroders

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

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

Other fees and charges

Where permissible, a Fund may in accordance with its investment guidelines hold investments in unlisted unit trusts or funds.

Any associated management fee, administration and transaction costs within these investments are incorporated in the unit price of the investments and reflected in the valuation of the investments held by a Fund. Where a Fund invests in an underlying fund managed by a wholly-owned member of the Schroders Group, any management fee or performance related fee payable to that wholly-owned group entity will be offset by Schroders with an appropriate rebate (however fees payable to external managers and managers related to, but not wholly owned by, the Schroders Group will still typically be borne by the Fund). In addition, these investments may incur statutory charges and expenses. See above under 'Indirect costs' in relation to how management fees and costs in relation to underlying funds are accounted for and disclosed in the PDS and this Additional Information booklet. Indirect investors accessing a Fund through a platform may incur additional

fees and costs. As well as reading this Additional Information booklet and the PDS, indirect investors should read their platform operator's offer document, which explains the fees payable by the indirect investor to the platform operator.

Financial adviser fees

Additional fees may be paid or payable by you to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

Changing the fees

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

In accordance with the Constitution and subject to law, Schroders may vary the amount of abnormal expense recoveries and the buy/sell spread at any time without your consent or advance notice.

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

Establishment fee

Each Fund has a maximum entry fee of up to 5.00% of the application money for units or the market value of the property or any other lesser amount as agreed between the applicant and their adviser and notified to Schroders. This fee is not subject to GST. No establishment fees are currently charged.

Withdrawal fee

Each Fund has a maximum withdrawal fee of up to 5.00% of the withdrawal price or such other amount as agreed between Schroders and the relevant unitholder, with the exception of the Schroder Australian Equity Fund, Schroder Sustainable Global Core Fund, Schroder Fixed Income Fund, Schroder Sustainable Growth Fund and Schroder Asian Shares Fund, for which Schroders may not charge a withdrawal fee. This fee is not subject to GST. No withdrawal fees are currently charged.

Differential fees

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

4. Taxation

The Australian taxation information below is of a general nature only and does not take into account the specific circumstances of any unitholder. Schroders does not purport to offer any taxation advice. Each unitholder

should obtain independent professional tax advice on the tax implications of their investments in the units of a Fund based on their own circumstances. The taxation information provided is based on current Australian law and may be subject to change.

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

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

General taxation

Where the Fund is an AMIT

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

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

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

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

Conversely, the payment of a cash distribution and attribution of tax offsets will reduce the cost base.

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

Where the Fund is not an AMIT

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

It is intended that Schroders, in its capacity as the Responsible Entity of the Fund, will not be liable to pay Australian income tax. Tax losses within the Fund cannot be claimed by unitholders and will be carried forward to be utilised by the Fund, subject to the tests for deductibility.

Unitholders will be presently entitled to all of the taxable income of the Fund each year. Under current tax law, unitholders will be liable to pay tax on their share of the taxable income of the Fund. The taxable income of the Fund may include capital gains. This will need to be taken into account by unitholders in calculating their net capital gain for a year. Unitholders may also be entitled to claim

their share of any franking credits and foreign tax offset of the Fund.

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

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

On disposal of a unit in the 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 the Fund are disposed of for a loss, a capital loss may arise which may be offset against capital gains in the current or subsequent income years.

AMIT regime

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

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

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

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

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

GST

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

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

GST may apply to fees and expenses charged to a Fund, and those fees and expenses plus any applicable GST may be recoverable from the assets of a Fund. However, depending on the nature of the fees and expenses, a Fund may be entitled to reduced input tax credits (**RITCs**) in respect of that GST.

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

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

Non-resident taxation

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

Tax File Number

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

5. Other important information

Custodian

Schroders has appointed JPMorgan Chase Bank N.A. (Sydney Branch) (**JPMorgan**) to hold each Fund's assets. We will pay JPMorgan a fee for acting as a Fund's custodian. This fee is not an additional fee to you and is paid by Schroders out of the management fee we receive which is described in the PDS for each Fund. In its role as custodian, JPMorgan as the global custodian safekeeps assets of the Funds. The role of the custodian is limited to holding assets of the Funds and it has no supervisory role in relation to the operation of the Funds. The custodian does not make investment decisions in respect of the assets held or manage those assets, and has no liability or responsibility to investors in the Funds. Additionally, the custodian is a paid service provider and is not responsible for the preparation of this document and

therefore accepts no responsibility for any information in this document.

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

Related party transactions

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

We may from time to time use the services of related parties (including, but not limited to, investment management and administration) or enter into financial or other transactions with related parties in relation to the assets of a Fund, including by investing the assets of a Fund into other funds or mandates managed by us or by other members of the Schroders Group. Where we enter into such arrangements, they will be based on arm's length commercial terms or as otherwise permissible under the law. Where a Fund invests in an underlying fund that is managed by a wholly-owned member of the Schroders Group, Schroders will typically implement an arrangement to offset any fees payable to that wholly-owned group entity so that they are not an additional cost to you. However, fees payable to external managers and managers related to, but not wholly owned by, the Schroders Group will still typically be borne by the Fund. On 30 June 2021, the Schroders Group acquired a 50.1% interest in Schroders RF Limited (**Schroders RF**).

Schroders RF is a specialist real estate debt manager and may receive arms' length fees for providing investment management services to funds or under mandates. Schroders may, as Responsible Entity of a Fund and having regard to its duties as Responsible Entity of that Fund, invest in a fund or mandate managed by Schroders RF (an **RE Debt Fund**). Where it does so, investors in the Fund will bear a portion of the fees charged by Schroders RF to the underlying RE Debt Fund as indirect costs of their investment in the Fund. Where applicable, the costs are included in the fees and costs disclosure in the PDS of the Fund. As at the date of this Additional Information booklet, Schroder Real Return Fund and Schroder Fixed Income Fund invest in RE Debt Funds.

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

6. Warning statement for New Zealand investors

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

Warning Statement

- This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
- There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
- Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

- The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

Currency exchange risk

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

Trading on financial product market

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

Dispute resolution process

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

7. Glossary

Absolute Return	means the return that an asset or strategy achieves over a period of time without reference to any other measure or benchmark.
ADIs	means Authorised Deposit-taking Institution (as that term is defined in the Banking Act 1959 (Cth)).
Alternatives	refers to assets falling outside of the 'traditional' asset classes of equities, fixed income or cash. Examples include: <ul style="list-style-type: none"> – private equity, which refers to equity interests of companies which are not listed on public stock exchanges; – private debt, which refers to direct lending by non-bank lenders, such as investment funds, to borrowers; – commodities, which are physical goods which are capable of being traded on global markets; and – insurance linked securities, which are financial instruments that have their value or returns linked to insurance losses (such as claims resulting from natural disasters).
AMIT	means Attribution Managed Investment Trust.
AML/CTF Law	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and the associated rules.
AMMA Statement	means Attribution Managed Investment Trust Member Annual statement.
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.
Business Day	means any day excluding a Saturday or Sunday on which banks are open for business in Sydney.
China A-Shares	means equity securities of Chinese companies listed and traded in RMB on Chinese stock exchanges such as the Shenzhen Stock Exchange and the Shanghai Stock Exchange.
Constitution	means the constitution of the Fund, as amended or replaced from time to time.
Corporations Act	means the Corporations Act 2001 (Cth).
DDO Regime	means the requirements of Part 7.8A of the Corporations Act (including as interpreted by ASIC in its published guidance).
Dealing Day	means a Business Day that has not been designated a 'non-dealing day' in accordance with section 7.
Emerging Markets	means developing countries around the world that are characterised by a stronger growth potential than mature economies. The investable universe of Emerging Markets is commonly defined by, but not limited to, the MSCI Emerging Markets Index.
FATCA	means the Foreign Account Tax Compliance Act enacted by the United States that imposes obligations including the collection and reporting of certain information about US and US-owned investors to the US tax authorities.
Frontier Markets	means frontier countries that are defined by, but not limited to, the MSCI Frontier Markets Index.
GST	means any goods and services tax, consumption tax, value-added tax or similar impost or duty which is or may be levied or becomes payable in connection with the supply of goods or services.
Investment Manager	means Schroder Investment Management (Hong Kong) Limited, the investment manager of the Underlying Fund.
NAV or Net Asset Value	means the total assets minus the total liabilities of the Fund, units or portfolio in question, as determined in accordance with the Constitution.
Privacy Act	means the Privacy Act 1988 (Cth).
Responsible Entity	has the meaning defined in the Corporations Act. The Responsible Entity of the Fund is Schroder Investment Management Australia Limited.
RITC	means a 'reduced input tax credit' as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
RMB	means the Chinese Yuan.

RQFII	means Renminbi Qualified Foreign Institutional Investor.
SISF	means the Schroder International Selection Fund, a Luxembourg domiciled open-ended investment company.
Stock Connect	means the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programs, which are securities trading and clearing programs that allow foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchange listed China A-Shares through Hong Kong based brokers.
Underlying Fund	means the Australian dollar share class of the Schroder International Selection Fund All China Equity, which is a share class of SISF.

8. Contacting Schroders

Schroder Investment Management

Australia Limited

(ABN 22 000 443 274)

(AFSL No. 226 473)

Registered office

Level 20, Angel Place

123 Pitt Street

Sydney NSW 2000

Schroders unit registry

C/- Link Market Services

Locked Bag 5038

Parramatta NSW 2124

Website

www.schroders.com.au

Email

info.au@schroders.com

Client services telephone

(+61) 1300 136 471

General enquiries telephone

(+612) 9210 9200

Applications/withdrawals

Attention: Schroders Unit Registry

C/o Link Market Services

Fax: 02 9287 0369

Email: schroders@linkmarketservices.com.au