

Schroders

Schroder Global Value Fund Wholesale Class

Product Disclosure Statement Issued: 1 November 2019

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/o Link Market Services
PO Box 3721
Rhodes NSW 2138

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

This Product Disclosure Statement (**PDS**) is a summary of significant information relating to the Wholesale Class of the Schroder Global Value Fund (the **Fund**) (ARSN 114 292 009, APIR SCH0030AU). This PDS is issued by Schroder Investment Management Australia Limited ABN 22 000 443 274 (**Schroders**) as responsible entity for the Fund. Within this document there are also a number of references to additional, important information which is contained in the 'Additional Information to the PDS' booklet (which forms part of this PDS) that are marked with a ✓. You should consider all of this information before making a decision to invest in the Fund. You can download a copy of the PDS and the 'Additional Information to the PDS' from Schroders' website at www.schroders.com.au or request a copy free of charge by calling us on (+61) 1300 136 471.

The information contained in this PDS is general information only and does not take into account your personal financial situation or needs. You should seek financial advice tailored to your personal circumstances.

Neither the Fund, Schroders, nor any of its related bodies corporate or associates, guarantees in any way the performance of the Fund, repayment of the capital from the Fund, any particular return from, or any increase in the value of the Fund.

The offer in this PDS is available only to persons receiving this PDS (electronically or otherwise) in Australia or New Zealand and does not constitute an offer or recommendation in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

Up to date information

The information in this PDS is up-to-date at the time of preparation. Certain information in this PDS may change from time to time. This includes, but is not limited to, potential changes that we have identified. Where we indicate to you that we will give notice of such changes, or where the updated information includes no materially adverse information, we will publish the updated information on our website www.schroders.com.au. A paper or an electronic copy of the updated information will be available free of charge upon request by contacting Schroders.

Contents

1. About Schroders
2. How the Schroder Global Value Fund works
3. Benefits of investing in the Schroder Global Value Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and costs
7. How managed investment schemes are taxed
8. How to apply
9. Other information

1. About Schroders

Schroders is the responsible entity for the Fund and the issuer of this PDS. As responsible entity, Schroders is responsible for selecting and managing the assets and overseeing the operations of the Fund. This responsibility includes establishing, implementing and monitoring the Fund's investment objective. We have appointed Schroder Investment Management Limited, a wholly owned subsidiary of Schroders plc, as investment manager of the Fund under an investment management agreement.

Schroders offers a range of investment products and is part of the Schroders Group. The Schroders Group is one of the largest independent investment managers providing investment management services from offices in 32 locations. While many financial institutions try to provide all things to their clients, we specialise in just one - pure investment management.

In Australia, Schroders is a wholly owned subsidiary of Schroders plc, a publicly listed UK company with origins in banking and finance dating back over 200 years. Financial services has been a core business for Schroders in Australia since 1961. For further information, please visit our website www.schroders.com.au.

Why Schroders?

- Organisational stability from a strong balance sheet, low levels of debt and majority family and staff ownership
- Independence and exclusive focus on asset management aligns our interests with our clients
- Size and experience of investment teams both locally and globally
- Commitment to in-house research
- Global perspective
- Disciplined and robust investment process.

2. How the Schroder Global Value Fund works

Pooled investment

The Fund is a registered managed investment scheme. When you invest your money in the Fund, we pool your money together with other investors' money. This pool is used to buy investments that are managed on behalf of all investors in the Fund.

Units in the Fund

We divide the total value of the assets held in the Fund into units and calculate prices for each unit based on the value of the underlying assets in the relevant class. Each unit carries equal beneficial interest in the Fund as a whole but does not give an investor an interest in any particular assets of the Fund. We also maintain a record of the number of units acquired. You can increase your units by reinvesting distributions or making an additional investment, or decrease your units by making a withdrawal.

Generally, unit prices are calculated each Business Day for the preceding Business Day in Sydney. The unit price will change as the market value of assets in the Fund rises or falls. Entry prices are generally higher than exit prices due to the costs of buying and selling the underlying assets in the Fund. The cost associated with buying and selling the underlying assets is called the buy-sell spread. The unit price also reflects the impact of fees charged for investing in the Fund.

Details relating to the Fund's net asset value (**NAV**) and units on issue are available at www.schroders.com.au.

Minimum investment amounts

The minimum initial investment amount is \$20,000 and the minimum additional investment amount is \$5,000.

How to withdraw

Unitholders may request to withdraw some or all of their investment in the Fund by sending written notification or completing a withdrawal form that can be downloaded from www.schroders.com.au.

The minimum withdrawal amount is \$5,000, unless the withdrawal relates to all the units held by that unitholder. Withdrawals are subject to cut-off times which are detailed in section 1.4 of the 'Additional Information to the PDS'.

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 a third party and will not initiate payments to accounts with non-Australian Authorised Deposit-taking Institutions (**ADIs**) unless otherwise agreed by Schroders.

In some circumstances, such as a freeze on withdrawals, unitholders may not be able to withdraw their funds within the usual withdrawal periods.

✓ You should read the important information on how to invest in and withdraw from the Fund before making a decision. Go to sections 1.3 to 1.6 of the 'Additional Information to the PDS' which you can access on Schroders' website at www.schroders.com.au or request a copy free of charge by calling Schroders on (+61) 1300 136 471.

The material about the significant features of the Fund may change between the time when you read this PDS and the day when you acquire the product.

Distributions

Distributions are normally determined half yearly (in December and June) by Schroders. Cash distributions are calculated at the end of the distribution period as determined by the responsible entity in accordance with its distribution policy and the Fund's Constitution divided by the number of units on issue. All taxable income will be attributed to unitholders each year in accordance with the applicable tax laws. A unitholder can elect to have their distributions:

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

Indirect investors

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

- **Applications/Withdrawals:** The offer document from your intermediate investment operator will outline the procedure for your investment in, or withdrawal of units from, the Fund.
- **Cooling-off period:** Cooling-off rights applicable to direct investors in the Fund do not apply to clients of the intermediate investment operator. You should contact the operator of the intermediate investment to determine what cooling-off rights you may have.
- **Distributions:** Distributions you receive as an investor may differ from those referred to in this PDS.
- **Fees and expenses:** The fees and charges that may apply may differ from those referred to in this PDS.

- **Taxation:** The taxation implications for investors depend upon the nature of your intermediate investment. If you are uncertain as to the taxation consequences of your investment in the Fund you should seek independent taxation advice.

Indirect investors should also read this PDS together with any disclosure documentation from their intermediate investment operator. Schroders will promptly notify the relevant operator of an intermediate investment that is investing in the Fund when this PDS is amended. If you are investing through an indirect intermediate investment operator, such as an IDPS, enquiries and complaints for indirect investors may be directed to Schroders.

3. Benefits of investing in the Schroder Global Value Fund

Significant features

The Fund is an index unconstrained global equity strategy investing in Value stocks from an exceptionally broad universe.

Significant benefits

The benefits of investing in the Fund include:

- Our research suggests that attractively priced companies with strong fundamentals outperform in the long-run. We exploit this long-term value premium through a highly diversified portfolio. This high level of diversification minimises stock-specific risk without sacrificing overall conviction
- Globally unconstrained, all cap portfolio which maximises the opportunity set by looking beyond the index to an investment universe of more than 15,000 stocks globally. Our bottom-up process does not impose any index-based sector or region constraints, enabling us to invest wherever we find the best opportunities. Moreover, by weighting stocks based on their fundamentals, and not their size, we are able to invest across the market capitalisation spectrum
- Potential for higher dividend yield. The Fund typically offers a higher dividend yield than the wider market
- Dedicated and well resourced QEP investment team with clear ownership and accountability for meeting the investment objective of the Fund.

✓ You should read the important information about the significant features of the Fund before making a decision. Go to section 1 of the 'Additional Information to the PDS' which you can access on Schroders' website at www.schroders.com.au or request a copy free of charge by calling Schroders on (+61) 1300 136 471.

The material about the significant features of the Fund may change between the time when you read this PDS and the day when you acquire the product.

4. Risks of managed investment schemes

The nature of investment markets is such that all investments carry risk and different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

The level of risk you are willing to expose your investments to will vary depending on a range of factors including your age, your investment timeframe, your other investments and your risk tolerance. The value of your investment and the returns from your investment will vary over time. Future returns may differ from past returns, the level of returns on investments will vary and returns are not guaranteed. This means you may lose some of the value of your investment. There is also a risk that laws affecting registered managed investment schemes may change in the future.

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

- **Market risk:** includes the risk of volatility and negative returns arising from investment markets
- **Equities risk:** includes the risk that changes in share prices will negatively impact on the value of investments
- **Company risk:** includes the risk of adverse changes to a company or its business environment
- **International investments risk:** includes the risk that international political, economic or currency events negatively affect the value of investments
- **Emerging Markets/Frontier Markets risk:** includes the risk of significantly higher price volatility, less liquidity and greater political risk than in developed markets
- **Currency risk:** includes the risk that foreign currency fluctuations may negatively affect the value of investments
- **Derivatives risk:** includes the risk that a counterparty defaults or losses are magnified through investing in derivative contracts
- **Liquidity risk:** includes the risk that assets may not be converted to cash in a timely manner
- **Counterparty risk:** includes the risk that counterparties fail to meet their contractual obligations
- **Regulatory and legal risk:** includes the risk that governments or regulators may pass laws, create policy, or implement regulation that affects a fund
- **Administration risk:** includes the risk that administration platforms may not perform their obligations properly
- **Fund risk:** includes the risk of changes to the investment team, fees and costs and the termination of a fund.

✓ You should read the important information about the significant risks of investing in the Fund, including further information about investment risks, before making a decision. Go to section 2 of the 'Additional Information to the PDS' which you can access on Schroders' website at www.schroders.com.au or request a copy free of charge by calling Schroders on (+61) 1300 136 471.

The material about the significant risks of investing in the Fund may change between the time when you read this PDS and the day when you acquire the product.

5. How we invest your money

Warning

You should consider the likely investment return, the investment risk and your investment timeframe when considering whether to invest in the Fund.

Fund description	<p>The Schroder Global Value Fund is an index unconstrained global equity strategy that aims to generate long-term returns before fees in excess of traditional capitalisation weighted global equity indices by investing in a diversified portfolio of equity and equity related securities of companies worldwide (excluding Australia) using a Value based investment strategy. Returns provide diversification benefits to typical global equity benchmarks and other global equity managers.</p> <p>Currency exposure is typically unhedged, however currency derivatives may be used with equity index futures in managing cash flows or to manage active currency positions relative to global equity indices for risk management purposes.</p>						
Investment return objective	To generate long-term returns after fees in excess of traditional capitalisation weighted global equity indices.						
Suitability and risk level	For investors who seek higher returns over the medium to long term and are prepared to accept high volatility in returns including negative returns over the short term. For more information about the Fund's risk level, please refer to the section 'About a Fund's risk level' in the 'Additional Information to the PDS' booklet.						
Minimum suggested holding period	At least 5 years. Please note this is a guide only, not a recommendation.						
Asset classes and investment ranges	<p>The Fund may invest across a wide range of global assets including but not limited to equities, cash and cash equivalents, property trusts, exchange traded funds, futures, currency derivatives, options and listed equity market derivatives. The following investment ranges apply:</p> <table border="1"> <thead> <tr> <th>Asset classes</th> <th>Investment ranges</th> </tr> </thead> <tbody> <tr> <td>International securities</td> <td>90% - 100%</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>0% - 10%</td> </tr> </tbody> </table>	Asset classes	Investment ranges	International securities	90% - 100%	Cash and cash equivalents	0% - 10%
Asset classes	Investment ranges						
International securities	90% - 100%						
Cash and cash equivalents	0% - 10%						
Labour standards and environmental, social and ethical considerations	Schroders considers both financial and non-financial risks as part of the investment process. Analysing exposure to and management of return opportunities and risks including those relating to labour standards, environmental, social or ethical considerations informs our understanding of an investment's fair value and its ability to deliver long-term returns. Where appropriate we also look to engage companies and to vote with the objective of improving performance in these areas. Schroders may exclude certain securities for ethical and social considerations. More information can be found in our ESG Policy which is published on our website www.schroders.com.au .						
Changes to the Fund	In order to meet the Fund's investment objectives, asset classes and investment ranges may be changed from time to time. We will give unitholders written notice of any material variation which we believe they would not have reasonably expected.						

6. Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

To find out more

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

The table below shows the fees and other costs that you may be charged for investing into the Fund. These fees and costs may be paid directly from your account, from the investment returns or from the Fund assets as a whole. The information in the table may be used to compare the costs of this product with other simple managed investment schemes.

Type of fee or cost*	Amount
Fees when your money moves in or out of the Fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil
Management costs	
The fees and costs for managing your investment	<p>The management costs** of the Fund are 0.98% p.a. of the Net Asset Value (NAV) of the Fund and are comprised of a management fee of 0.98% of the NAV of the Fund (which covers normal expenses, since these are paid for out of the management fee) and indirect costs of 0% of the NAV of the Fund.</p> <p>As Schroders has decided to pay normal expenses out of its management fee entitlement, it will only be reimbursed out of the assets of the Fund where the expenses are abnormal expenses such as the cost of unitholder meetings. Abnormal expenses are not generally incurred during the day-to-day operations of the Fund.</p>

*For certain wholesale clients (as defined in the Corporations Act), Schroders may, at its discretion and in accordance with ASIC Policy and the Corporations Act, negotiate, rebate or waive all or part of Schroders' fees. Please refer to section 3, 'More detailed information about fees and costs' in the 'Additional Information to the PDS'. Unless otherwise stated, all fees and costs are quoted inclusive of any GST and net of any input tax credits (**ITCs**) or reduced input tax credits (**RITCs**) that are expected to be available to the Fund. Where RITCs are available, the prescribed rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. Adviser fees may also apply. See below for more details. Please refer to section 3, 'More detailed information about fees and costs' in the 'Additional Information to the PDS'.

**All estimates of fees in this section are based on information available as at the date of this PDS and reflects Schroders' reasonable estimates of the typical ongoing amounts for the current financial year. All other management costs reflect the actual amount incurred for the last financial year and Schroders' reasonable estimates where information was not available at the date of this PDS.

***An allowance for transactional and operational costs may apply to investments into and withdrawals from the Fund. Please see 'Transactional and operational costs' in the 'Additional Information to the PDS' booklet.

WARNING: Fees may be payable to your financial adviser (refer to the Statement of Advice provided by your adviser). These fees are in addition to those set out above.

Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products. This example is illustrative only and fees may vary for your actual investment.

Example	Balance of \$50,000 with a contribution of \$5,000 during year	
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management costs ² comprising:	0.98% p.a.	And , for every \$50,000 you have in the Fund you will be charged \$490 each year.
Management fee to Schroders	0.98% p.a.	
Indirect costs	0%	
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees of \$490 ³ . What it costs you will depend on the fees you negotiate

¹Additional fees may apply. This amount excludes fees for an additional contribution of \$5,000 during the year. Please note that the minimum initial investment for the Fund is \$20,000, and the minimum additional investment is \$5,000. This example does not take into account the buy/sell spread nor any abnormal expense recoveries. We have assumed a constant value of \$50,000 throughout the year.

²Please refer to footnote ** in the Fees and Costs table above.

³Please refer to footnote *** in the Fees and Costs table above.

Additional explanation of fees and costs

Management costs

Management costs comprise the fees or costs (including indirect costs) that you incur by investing in the Fund.

The management fee 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 a management fee of 0.98% p.a. as set out in the above table calculated on the NAV of the Fund (inclusive of GST less any RITC entitlement). Management fees are calculated and accrue daily and generally paid monthly in arrears. Schroders may rebate all or part of its management fees to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. For further information, wholesale clients can contact Schroders.

The indirect costs component is 0.00% p.a. of the NAV of the Fund. Indirect costs are deducted from the assets, accrued daily and paid monthly. Indirect costs are generally payable from the Fund's assets rather than directly by you. Indirect costs do not include transactional and operational costs. Other fees and costs may apply to the Fund. Unless otherwise agreed, Schroders may change the amount of any fees in this PDS (including increasing fees up to the maximum set out in the Constitution) without your consent. The management fee disclosed in this PDS will not be changed without providing at least 30 days' advance notice to you. For information on tax please see Section 7 of this PDS below.

ASIC fee calculator

To calculate the effect of fees and costs on your account balance, you can use the calculator provided by ASIC at www.moneysmart.gov.au.

✓ You should read the important information about fees and costs before making a decision. Go to section 3 of the 'Additional Information to the PDS', which you can access on Schroders' website at www.schroders.com.au or request a copy free of charge by calling Schroders on (+61) 1300 136 471.

The material relating to more detailed information about fees and costs may change between the time when you read this PDS and the day when you acquire the product.

Warning

If you consult a financial adviser, you may also pay an additional fee that will be set out in the Statement of Advice between you and the financial adviser.

7. How managed investment schemes are taxed

Warning

Investing in a registered managed investment scheme is likely to have tax consequences and unitholders are strongly advised to seek professional tax advice.

Registered managed investment schemes do not pay tax on behalf of unitholders. Unitholders are assessed for tax on any income and capital gains generated by the Fund.

Unitholders should obtain independent professional tax advice about their individual circumstances as the taxation implications of investing in the Fund will vary depending on their individual circumstances.

✓ You should read the important information about 'How managed investment schemes are taxed' before making a decision. Go to section 4 of the 'Additional Information to the PDS', which you can access on Schroders' website at www.schroders.com.au or request a copy free of charge by calling Schroders on (+61) 1300 136 471.

The material relating to more detailed information about how managed investment schemes are taxed may change between the time when you read this PDS and the day when you acquire the product.

8. How to apply

If you would like to invest in the Fund, please complete the relevant application form. For certain investor types there are on-line application forms available. Or if you prefer, or there is no relevant on-line application form, there are hard copy application forms that must be printed out and completed. By signing the form you are confirming that you have received this PDS and had an opportunity to read it.

You may make additional investments in the Fund via BPAY® or by forwarding payment in accordance with the payment options set out in this PDS, together with either a current application form or written notice. A written notice must include details of the investor's name, address, contact telephone number, investor code number, payment method and application details. Such written notice must be duly authorised by the investor(s). Applications are subject to cut-off times that are detailed in section 1.3 of the 'Additional Information to the PDS'. Where a valid application instruction is received and accepted by the cut-off time on a Dealing Day, units will be allocated at the unit price calculated for that Dealing Day. Where cleared funds are not received, units will not be allocated and the investor may be liable for reasonable administrative and associated costs incurred and any tax payable. For additional applications received by BPAY, we will issue units when the money is received from your nominated financial institution. This means units may not be issued on the day of your BPAY instruction if there are delays in receiving the application money.

®Registered to BPAY Pty Ltd ABN 69 079 137 518

Payment options

Please refer to the payment options as set out in the 'Additional Information to the PDS'. In the case of applications for amounts in excess of \$5 million, application funds should be made by direct deposit via Real Time Gross Settlement (**RTGS**). Any other payment method for such large applications may delay processing of the application.

Cooling off

A 14-day cooling-off period applies to investments made directly by retail investors (as defined in the Corporations Act) in the Fund. Your cooling-off period will begin when your transaction confirmation is received by you or on the 5th Business Day after units are issued (whichever is earlier) and will end on the 14th day after that date. The confirmation statement you receive on the initial application will state the date on which the units were issued. During this 14-day period, you may cancel your initial investment by sending an authorised instruction to Schroders. Your initial investment will then be repaid after adjustments are made for changes in the value of the investment, reasonable administrative and transaction costs incurred by the Fund and any tax payable. The cooling-off period will end if and when you make an additional investment during the 14-day period.

Dealing with complaints

Schroders has procedures in place for dealing with complaints. Unitholders with enquiries should contact Schroders. Notification of any complaint should be made in writing addressed to:

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

We will seek to acknowledge receipt of your complaint in writing as soon as reasonably practicable and in any event within 14 days from receipt, and address your complaint within 45 days. If Schroders has not addressed your complaint, or if you are not satisfied, you can refer your complaint to the independent complaints resolution body, the Australian Financial Complaints Authority (**AFCA**). Claims determined by AFCA are subject to maximum limits on the total value of the remedy that can be awarded. Please see the terms of reference for AFCA found at www.afca.org.au. If your complaint remains unresolved you may contact AFCA at info@afca.org.au or 1800 931 678. AFCA is not available to New Zealand unitholders. If you are a New Zealand unitholder, please see the "Warning Statement for New Zealand investors" in the 'Additional Information to the PDS' for further details on how you may complain. AFCA is only available to retail clients.

9. Other information

Certain information in this PDS may change from time to time. Where we indicate to you that we will give notice of such changes, or where the updated information includes no materially adverse information, we will publish the updated information on our website at www.schroders.com.au. A copy of the updated information will be available free of charge upon request by contacting Schroders.

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

- Link Market Services Limited (**Link**) as unit registrar for the Fund; and
- JPMorgan Chase Bank N.A. (Sydney Branch) (**JPMorgan**) as custodian of the Fund.

Link and JPMorgan were not involved in the preparation and distribution of the PDS and the 'Additional Information to the PDS' and are not responsible for the issue of, nor any particular part, other than those parts that refer to it, of the PDS and the 'Additional Information to the PDS'.