

# Schroder

## Real Return CPI Plus 3.5% Fund

An objective based, diversified investment solution designed for those investors seeking regular cash flows and consistent, real returns without significant risk.

### Reasons to invest

**Real returns:** The Fund aims to provide investors with a stable real rate of return.

**Quarterly distributions:** The Fund has also been designed to provide investors with a regular income, currently targeting a quarterly distribution of at least the RBA cash rate.

**Flexibility:** The Fund offers the flexibility to be used in multiple ways in client's model portfolios – whether as a 'core' holding or 'satellite' holding used as a diversifier.

**Daily liquidity:** The Fund provides the ability to invest or redeem on a daily basis.

**Real diversification:** By investing across a broad range of asset classes, the Fund can take advantage of opportunities wherever they arise, reducing the volatility that can come from investing in a single asset class. The Fund's investment limits afford the flexibility to sell and avoid assets when they are expensive, and buy assets when they are cheap.

**Active management to both grow and preserve capital:** Our approach has resulted in a low level of volatility within the Fund.

**Value for money:** Low management fee of 0.60% including fund expenses.

### Investor profile

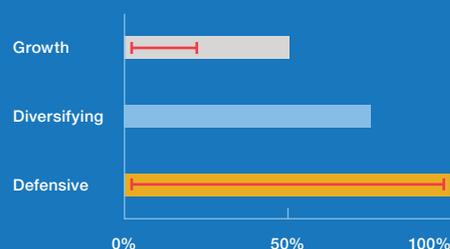
The Schroder Real Return CPI Plus 3.5% Fund offers a flexible solution to a broad range of investors.



Pre-retirement	Late stage pre-retirement	Retirees	Risk averse investor
With low volatility and potential for capital growth, the Fund offers stable money weighted returns.	The Fund offers a more conservative strategy, aiming to minimise portfolio losses or provide a diversifying role.	The Fund has the potential to enhance retirement planning by providing potential to grow capital whilst offering a stable income stream.	The Fund offers a diversified solution for investors seeking a reasonable rate of return, without heightened exposure to risk.

### Fund objectives

- Target CPI +3.5%
- Regular distributions
- Low volatility
- Avoid losses
- Asset ranges



Growth assets typically include shares and property securities. Diversifying assets include high yield debt and some alternatives. Defensive assets include investment grade debt and cash.

Red line = ranges for a typical conservative fund

### Meet the managers



**Simon Doyle**  
Lead Portfolio Manager

Lead portfolio manager and Head of Australian Fixed Income and Multi-Asset investment, Simon Doyle has over 27 years investment experience. He joined Schroders in May 2003 as Head of Strategy.



**Simon Stevenson**  
Co-Portfolio Manager

Simon Stevenson works closely with Simon Doyle on the Schroder Real Return Strategy and Schroder Balanced Strategy and is responsible for research across a broad range of asset classes.



**Schroders**

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## Real Return CPI Plus 3.5% Fund

### Where does it fit in my portfolio?

The Fund offers a flexible investment solution for client's model portfolios.

Core holding	Satellite holding	Low volatility alternative fund
The Fund's varied asset allocation is designed to promote smooth returns and a decreased risk of losing money.	Stable returns through accessing broad range of assets provides diversifying role in model portfolios.	Portfolio outcomes have little correlation to equity and fixed.

### Why not hold cash?

An investment only to cash and other highly defensive investments can provide stable returns in the short run but may not provide a sufficient real return above inflation. The Fund provides a diversified portfolio which can flexibly allocate across a broad universe of assets and can be managed to achieve the objective with minimal expected losses and volatility.

<3%p.a Term deposit rates	~ 2%p.a 3yr Govt. bond yields (as at 31/12/15)	3.5%p.a Real return objective	~ 2 – 3%p.a RBA inflation policy	5.5 – 6.5%p.a Implied total return
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A comparison of the range of returns offered for investing in other defensive instruments.

### Strategy overview

Our approach is to continually assess investment opportunities so that at all times the Portfolio is well placed to meet its objective whilst minimising variability around this target. The Fund places emphasis on generating positive returns in the short run, and minimising frequency of drawdowns, by investing across a broad range of assets. There is also the benefit of regular cash flows.

<b>Flexible</b>	Able to move dynamically across asset classes that in combination are most closely aligned with the delivery of the objective
<b>Not constrained by benchmark</b>	Investment opportunities are constantly reassessed in recognition that valuations impact future returns and risk
<b>Local and global</b>	Experienced and dedicated local team, well integrated into the broader Schroders Global Multi-Asset Group, delivering truly diverse global coverage of investment ideas, research and implementation in key regions and asset classes
<b>Focused risk management</b>	Investments are managed with the intention of minimising losses while also maximising the chance of achieving the real return objective.

### 4-step investment process



Disclaimer: Investment in the Schroder Real Return CPI Plus 3.5% Fund Wholesale Class may be made on an application form in the current Product Disclosure Statement (PDS) which is available from Schroder Investment Management Australia Limited (ABN 22 000 443 274, AFS Licence 226473) website [www.schroders.com.au](http://www.schroders.com.au). The information contained in this flyer is general information only. It does not contain and should not be taken as containing any financial product advice or financial product recommendations. Before acting on the information contained in this flyer you should obtain a copy of the PDS and consider the appropriateness of the information in regard to your objective, financial situation and needs before making any decision about whether to invest, or continue to hold. The repayment of capital and performance in the Fund is not guaranteed by Schroders or any company in the Schroders Group. Opinions constitute our judgement at the time of issue and are subject to change. Past performance is not an indicator of future performance. Investment guidelines represented are internal only and are subject to change without notice. Schroders may record and monitor telephone calls for security, training and compliance purposes. Version current as at January 2015.

### Fund information

<b>Fund name</b>	Schroder Real Return CPI Plus 3.5% Fund Wholesale Class
<b>APIR Code</b>	SCH0096AU
<b>Inception Date</b>	19 May 2015
<b>Distribution frequency</b>	Normally quarterly distribution
<b>Management costs</b>	0.60% pa
<b>mFund code</b>	SCH12

### What are the risks?

- It is important to understand the risks associated with investing in the Fund. Schroders actively assesses and manages risk at every stage of the investment process.
- The main risks specifically with investing in this strategy are market risk, equities risk, interest rate risk, credit risk, derivatives risk and risks associated with international investing such as movements in exchange rates.
- For further details about the risks of investing in this strategy please refer to the Product Disclosure Statement.

### Find out more

Call Client Services on 1300 136 471  
or email us at [info.au@schroders.com](mailto:info.au@schroders.com)  
Or visit [www.schroders.com.au](http://www.schroders.com.au)  
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