

Excluded Securities

May 2020

From time to time, Schroder Investment Management Australia (SIMAL) and its parent Schroders plc (collectively referred to as the Schroder Group) may exclude certain securities from investment portfolios having regard to certain matters including regulatory considerations and the risks these matters pose for unitholders. The exclusion list is based on Schroder Group's own assessment and is subject to change without notice.

In relation to funds offered by SIMAL in Australia, the main groups of securities that are excluded are:

- tobacco manufacturers;
- manufacturers of cluster munitions and anti-personal mines; and
- nuclear weaponry (weapons manufacturers).

This excluded securities lists will be maintained in accordance with the definition under the categories below. Further details are available in the ESG Policy (available on SIMAL's website: www.schroders.com.au) and the Excluded Securities Methodology paper which sets out in more detail how each category is reviewed and the excluded securities determined. The Excluded Securities Methodology is available upon request from SIMAL.

The Schroder Global Sustainable Fund and Schroder Emerging Markets Sustainable Fund adopt additional exclusions details of which are available in the Product Disclosure Statement for those funds.

1. Tobacco manufacturers

Tobacco securities as defined by GICS Sector 302030 - Tobacco, being those securities issued by companies that manufacture tobacco products.

All funds offered by SIMAL exclude direct investment in tobacco securities. Indirect exposure arising from holdings in externally managed investments including ETFs and other managed funds do not apply, as SIMAL does not have influence over the investment decisions in its investment guidelines.

2. Cluster munitions, anti-personnel mines, biological and chemical weapons

Cluster munitions, anti-personnel mines, biological and chemical weapons exclusion list as assessed by Schroders plc and applied to all investments globally for the Schroder Group

The Schroder 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 revenue from these sources. The securities issuers listed below have been excluded from direct investment globally by the Schroder Group.

Issuer

- Anhui Great Wall Military Industry Co Ltd
- Aryt Industries
- Aselan Elektronik
- Ashot Ashkelon
- Avibras
- Bharat Dynamics Ltd

- China Aerospace Science and Technology
- China Aerospace Science and Industry
- China North Industries Group Corp (Norinco)
- Hanwha Corporation
- Israeli Military Industries
- LIG Nex1
- Motovilikha Plants JSC
- Poongsan Corporation
- Poongsan Holdings Corp.
- Reunert
- Rocketsan
- Sichuan Academy of Aerospace Technology
- Singapore Technologies Engineering
- Splav State Research

3. Nuclear weaponry (weapons manufacturers)

Exclusions applied by SIMAL to securities that derive 5% or more of revenue from nuclear manufacture

SIMAL has identified a list of securities that derive 5% or more of revenue from the manufacture of nuclear weaponry. The issuers below have been excluded from direct investment by all SIMAL funds.

Issuer

- Aerojet Rocketdyne Holdings, Inc.
- BAE Systems plc
- Dassault Aviation SA
- Huntington Ingalls Industries Inc
- Jacobs Engineering Group Inc
- Korea Aerospace Industries, Inc.
- Lockheed Martin Corp
- Serco Group plc

Changes to lists

In the event that a new security is added to the Excluded Securities List, portfolio managers will initiate the sell down of any positions held in an orderly manner over a reasonable period.