

Schroder Australian Equity Long Short Fund

Professional Class

Product Disclosure Statement

Issued: 10 May 2022

ARSN: 642 486 931

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
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

This Product Disclosure Statement ('PDS') is a summary of significant information relating to the Professional Class of units in the Schroder Australian Equity Long Short Fund ('Fund') (ARSN 642 486 931, APIR SCH0438AU) (and in this PDS, unless the context requires otherwise, references to 'Fund' are to be read as references to the Professional Class of units in the Fund). This PDS is issued by Schroder Investment Management Australia Limited ABN 22 000 443 274 ('Schroders', 'Responsible Entity', 'our', 'we' or 'us') as responsible entity for the Fund. References to 'Schroders Group' are to Schroders plc and its subsidiaries. You should read and consider all the information in this PDS before making a decision to invest in the Fund. No other fund, trust or class of units is offered in this PDS.

No Schroders Group company, other than us, makes any statement or representation in this document. The information contained in this PDS is general information only and does not take into account your objectives, financial situation or needs. Before acting on the information contained in this PDS you should consider the appropriateness of the information in this PDS having regard to your objectives, financial situation and needs. You should seek financial advice tailored to your objectives, financial situation or needs.

An investment in the Fund is subject to investment and other risks, including possible delays in payment and loss of income and capital invested. Investments in the Fund are not deposits with or other liabilities of the Responsible Entity or any of its related bodies corporate, affiliates, associates or officers. 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. For more details on the risks, please refer to section 5 of this PDS, 'Risks of investing in the Fund.'

The offer of units in the Fund is available to persons receiving a copy, electronic or otherwise, of this PDS within Australia or New Zealand. This does not constitute an offer or invitation in any jurisdiction, or to any person, to whom it would be unlawful to make such an offer.



Important information (continued)

All references to dollars are in Australian dollars unless otherwise specified. Capitalised terms in this PDS are defined terms and they are listed in the Glossary section in this PDS or defined elsewhere in this PDS. Days are calendar days unless otherwise specified as Business Days.

Up to date information

The information in this PDS is up-to-date at the time of preparation. Certain information in this PDS is subject to change from time to time where it is deemed not materially adverse and such updated information will be published on Schroders' website: www.schroders.com.au. A paper copy of any updated information will be given, or an electronic copy made available to you without charge, upon request by contacting Schroders. Where a change is considered materially adverse, we will issue a supplementary PDS or a replacement PDS.

Consents

Link Market Services Limited (**'Link Market Services'**), PricewaterhouseCoopers (**'PwC'**), Ernst & Young (**'EY'**), UBS AG, Australia Branch (**'UBS AG'**), UBS Nominees Pty Ltd (**'UBS Nominees'**) and JPMorgan Chase Bank N.A. (Sydney Branch) (**'JPMorgan'**) have provided written consent to being named and the statements about them in the form and context in which they are included in this PDS. Link Market Services, PwC, EY, UBS AG, UBS Nominees and JPMorgan were not otherwise involved in the preparation and distribution of this PDS, are not responsible for, and did not cause, the issue of this PDS, are not responsible for any particular part of this PDS or for the accuracy or completeness of any information included in it, and do not guarantee the success or performance of the Fund or the repayment of capital or any particular rate of return. None of Link Market Services, PwC, EY, UBS AG, UBS Nominees or JPMorgan have withdrawn their consent before the date of this PDS.

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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.

Schroders has helped Australian investors achieve their objectives since 1964 through our diversified suite of actively managed investment products, which now spans both public and private markets. Our local expertise in equities, fixed income, multi-asset and alternatives, combined with our global resources facilitates a diversity of thought to assess each situation from every angle and consider the long-term impact on returns and the earth.

Schroders is part of the Schroders Group, an investment manager with over 200 years' experience which is headquartered in London and has a presence in 37 locations around the world. Schroders offers Australian investors the strength and stability of a global firm coupled with the long-term perspectives and independent thinking of a local manager.

Why Schroders?

- Stability of a global firm with strong heritage
- Dedicated to building a sustainable future, with sustainability integrated into our investment processes
- A diverse and experienced investment team with an independent view
- Active in every aspect of our business
- Investors are at the heart of everything we do

For further information, please visit our website www.schroders.com.au.

2. Fund at a glance

Fund details		
Fund name	Schroder Australian Equity Long Short Fund	
ARSN	642 486 931	
APIR	SCH0438AU	
Investment details		
Investment return objective¹	To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term, by investing in a broad range of publicly listed entities (or entities about to be listed) predominately on Australian and New Zealand securities exchanges. The Fund may also invest up to 10% of its assets under management in securities listed on exchanges outside of Australia and New Zealand.	Further information is outlined under 'How the Fund works' in section 4 of this PDS.
Suitability	This Fund is more likely to be appropriate for a consumer seeking capital growth and income distribution for a small allocation of their portfolio, with a high or very high risk and return profile. This Fund is unlikely to be suitable for a consumer seeking capital preservation or capital guarantee and is unlikely to be suitable for a consumer seeking a standalone investment solution. This Fund is also unlikely to be suitable for a consumer with a low risk and return profile or with a short investment timeframe.	Further information is outlined under 'Investor suitability and target market determination' in section 6 of this PDS.
Minimum suggested holding period	At least 5 years. Please note this is a guide only, not a recommendation.	
Management style	Active ²	
Distribution frequency	Normally twice yearly. Calculated on the last Business Day of June and December.	
Key risks	<p>All investments, including investments in managed investment schemes such as the Fund, come with a degree of risk.</p> <p>The key risks associated with an investment in the Fund include market risk, short selling risk, leverage risk, equities risk, entity risk, prime broker risk, derivatives risk, OTC derivatives risk, asset liquidity risk, smaller entities risk, pricing risk, interest rate risk, currency risk, counterparty/service provider risk, regulatory and legal risk, conflicts of interest risk, collateral risk, cyber security risk and fund risk.</p> <p>An explanation of these risks, as well as a summary of certain additional risks, is contained in section 5 of this PDS.</p>	Further information is outlined under 'Risks of investing in the Fund' in section 5 of this PDS.
Fees and costs		
Fees when your money moves in or out of the Fund	Nil	Further information is outlined under 'Fees and costs' in section 8 of this PDS.
Management fees and costs³	<p>The management fees and costs of the Fund are estimated to be 0.62% p.a. of the net asset value ('NAV') of the Fund which comprises of the following components:</p> <ul style="list-style-type: none"> – A management fee: 0.62% p.a. of the NAV of the Fund – Indirect costs: estimated to be 0% p.a. of the NAV of the Fund – Expense recoveries: estimated to be 0% p.a. of the NAV of the Fund 	

Performance fees⁴	<p>Schroders is entitled to a performance fee of 18% of the Fund's daily performance (after fees but before the performance fee for that day) above the S&P/ASX 200 Accumulation Index.</p> <p>Based on the Fund's performance for the financial year ending 30 June 2021, being the only full financial year in which the Fund was in operation, the performance fees of the Fund are estimated to be 1.07% p.a. of the NAV of the Fund.</p> <p>Any future performance fees will vary depending on the performance of the Fund. Performance fees will be higher in periods of higher performance, and lower in periods of lower performance. Past performance is not a reliable indicator of future performance.</p>
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Fund valuations

Net asset value	<p>The NAV of the Fund indicates the value of the Fund as at the close of business on each Business Day. The NAV of the Fund is calculated by deducting the total liabilities of the Fund from the total assets. The NAV per unit is derived by dividing the NAV by the number of units on issue.</p>	<p>Further information is outlined under 'Additional Fund information' in section 6 of this PDS.</p>
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Reporting and contact details

Reporting	<p>Confirmation of applications/withdrawals, periodic transaction statements, distribution summary, annual tax statement, fund report and financial report.</p>	<p>Further information is outlined under 'Keeping you informed' in section 13 of this PDS.</p>
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Applications and redemptions	<p>Open to daily applications and redemptions, subject to the terms and conditions set out in this PDS.</p>	<p>Further information is outlined under 'How to invest in the Fund' and 'How to withdraw from the Fund' in sections 9 and 10 of this PDS.</p>
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Contact details	<p>Website: www.schroders.com.au</p> <p>Telephone: Client Services (9am–5pm EST): +61 1300 136 471</p> <p>Email: info.au@schroders.com</p>
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¹Further information on the investment objective, strategy and benefits of the Fund are outlined in the 'How the Fund works' section of this PDS.

²Active: This means that the investment manager of the Fund regularly makes decisions about buying and selling investments of the Fund.

³Management fees and costs: This represents the management fee (which includes any normal operating expenses incurred by the Fund as these are paid out of the management fee), estimated expense recovery and estimated indirect costs. Fees charged by Schroders are inclusive of GST and net of any input tax credits ('ITCs') or reduced input tax credits ('RITCs') that are expected to be available to the Fund, and are shown without any other adjustment in relation to any tax deduction available to the responsible entity. See the 'Fees and other costs' section of this PDS for further details. Schroders may rebate or reduce the management fee at its discretion where permitted by law.

⁴Schroders has estimated the Fund's performance fee by applying the current performance fee rate (of 18% of the Fund's daily performance (after fees but before the performance fee for that day) above the S&P/ASX 200 Accumulation Index) to the actual performance of the Fund for all of the financial years in which the Fund was in operation. Prior to the date of this PDS the Fund's performance fee was calculated using the rates of 15% (for the period from the Fund's inception date up to 30 November 2021) and 25% (for the period from 30 November 2021 to the date of this PDS) of the Fund's daily performance (after fees but before the performance fee for that day) above the S&P/ASX 200 Accumulation Index. Due to the changes in performance fee rate, Schroders considers that the actual performance fee paid by the Fund in the past does not accurately represent the ongoing future performance fees applicable to the Fund. See the 'Fees and other costs' section of this PDS for further details.

3. ASIC benchmarks and disclosure principles

The Australian Securities and Investments Commission ('ASIC') requires the responsible entities of funds that qualify as 'hedge funds' for the purposes of ASIC Regulatory Guide 240: *Hedge Funds: Improving disclosure ('RG 240')* to disclose information against the benchmarks and disclosure principles set out in RG 240. The Fund is a 'hedge fund' for the

purposes of RG 240. These benchmarks and disclosure principles are designed to assist investors to make informed decisions about investing in hedge funds.

The following table provides a summary of the benchmarks and disclosure principles addressed in this PDS. You should consider this information together with the detailed explanation of the cross-referenced information set out in this PDS and the key risks of investing in the Fund highlighted in section 5 of this PDS.

Benchmarks

ASIC Benchmark	Description	Summary	Reference
1. Valuation of assets	This benchmark addresses whether valuations of the hedge fund's non-exchange traded assets are provided by an independent administrator or independent valuation service provider.	<p>This benchmark does not apply to the Fund.</p> <p>The majority of the Fund's assets are exchange traded. Assets which are exchange traded are valued at their market value, which are the prices provided by the relevant market exchange on which the assets are bought and sold.</p> <p>The Fund may hold assets such as OTC derivatives and cash and cash equivalents which are not exchange traded. The Responsible Entity has a valuation policy in place to determine the value of these assets. Under the valuation policy, such assets will be valued by reference to independent pricing sources, which include data vendors, pricing agents and/or third party administrators from across the world.</p>	For additional information in relation to the valuation of assets, please refer to 'Unit pricing (NAV per unit) and the valuation of the Fund's assets' in section 6 of this PDS.
2. Periodic reporting	This benchmark is aimed at ensuring that investors receive timely, basic fund investment performance information on a periodic basis to make informed investment decisions.	<p>The Responsible Entity complies with this benchmark except to the extent that some of the information that would otherwise be disclosed monthly and annually under this benchmark will be provided on our website or via an investor communication (either periodically, or as and when required) as opposed to being included in the Fund's monthly or annual reports.</p> <p>The Responsible Entity has implemented a policy to provide detailed periodic updates to investors on certain key information in relation to the Fund on a monthly and annual basis as required.</p> <p>On a monthly basis, the following information will be provided to investors on our website www.schroders.com.au:</p> <ul style="list-style-type: none"> – A fund report containing details on: <ul style="list-style-type: none"> i. The net return on the Fund's assets after fees, costs and taxes paid by the Fund ii. Any material change in the Fund's risk profile (if any) iii. Any material change in the Fund's investment strategy (if any) iv. The current total NAV of the Fund and the redemption value of a unit in each class of units as at the date the NAV was calculated – Unit prices of the Fund <p>The following information will be provided to investors on an annual basis, including by being made available on our website www.schroders.com.au as soon as practicable after the relevant period end:</p> <ul style="list-style-type: none"> – A fund report containing details on: 	For additional information in relation to periodic reporting, please refer to 'Keeping you informed' in section 13 of this PDS.

- i. The actual allocation to each asset type
- ii. The liquidity profile of the portfolio assets as at the end of the period
- iii. The leverage ratio (including leverage embedded in the assets of the fund, other than listed equities and bonds) as at the end of the period
- iv. The derivative counterparties engaged during the period (including capital protection providers)
- v. The monthly or annual investment returns since its inception)
- The Fund’s annual report, which will contain details of:
 - i. The assets and liabilities as at the close of the financial year
 - ii. Any significant changes in the state of affairs
 - iii. Any likely developments and expected results of operations
 - iv. The fair value measurements by fair value hierarchy, from level 1 (quoted prices in active markets) to Level 3 (unobservable inputs) where applicable
 - v. Financial risk management and the sensitivity of the Fund’s assets to market risk

The Fund’s latest annual disclosure report will be available on our website www.schroders.com.au.

The following information about changes relating to the Fund will be provided to investors in investor communications or on our website www.schroders.com.au as soon as reasonably practicable after the change:

- Any change in the individuals playing a key role in the investment decisions of the Fund
- Any changes to key service providers including any change in their related party status

Disclosure Principles

ASIC Disclosure Principle	Description	Summary	Reference
Investment strategy	This disclosure principle is intended to ensure that investors can make informed decisions about the Fund by disclosing details of the investment strategy for the Fund, including the type of strategy, how it works in practice and how risks are managed.	<p>The Fund aims to outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term. There is no guarantee that this objective will be achieved.</p> <p>The Fund primarily invests in or short sells a portfolio of securities in a broad range of publicly listed entities (or entities about to be listed) predominately on Australian and New Zealand securities exchanges. The assets of the Fund will be predominately located in Australia and New Zealand and denominated in AUD and NZD. The Fund may also invest up to 10% of its assets under management in securities listed outside of Australia and New Zealand.</p> <p>The Fund may also invest in exchange traded and OTC derivatives and cash or cash equivalents.</p>	For additional information in relation to the investment strategy, please refer to 'How the Fund works' in section 4 and 'Risks of investing in the Fund' in section 5 of this PDS

The Fund may use leverage to magnify exposure to investments by borrowing cash and offering securities as collateral, as well as utilising the cash generated from a short securities sale to purchase additional securities to extend long positions. Short selling may be used to expand the range of available investment opportunities and achieve returns when share prices are expected to go down. Exchange traded and OTC derivatives may also be used for managing risk.

The Fund targets a 130% long / 30% short portfolio structure. For practical purposes this could vary within a range (70% to 150% long and 0% to 50% short), with a typical target net exposure position of 90% to 110%, and a minimum and maximum net exposure of 70% and 150% respectively. The target 130% long / 30% short portfolio structure should translate to a diversified portfolio typically consisting of 30-75 long stock positions, and up to 30 short positions. The Fund may also invest in unlisted securities which are expected to be listed within the next 24 months, up to a maximum allocation of 10%. Further information about the Fund's diversification guidelines and limits is set out in 'Asset classes, investment ranges and diversification guidelines or limits' in section 4 of this PDS.

The Fund does not have any key dependencies or assumptions underpinning its investment strategy. Investors in the Fund are exposed to risks at both the entity level and market level. The key risks and how they are managed are set out in 'Risks of investing in the Fund' in section 5 of this PDS.

The Fund is managed with reference to environmental, social and governance ('ESG') factors. This means the impact and risk around issues such as climate change, environmental performance, labour standards or corporate governance are considered in the assessment of investments. Schroders engages with entities held by the Fund to challenge identified areas of weakness in ESG performance. Further information about how Schroders takes into account ESG factors when investing is set out in 'Labour standards and environmental, social and ethical considerations' in section 6 of this PDS.

The Responsible Entity may change and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. If this were to occur, the Responsible Entity will provide investors written notice of any material changes which the Responsible Entity believes investors would not have reasonably expected or as otherwise required by law.

Investment Manager	This disclosure principle is intended to ensure that investors have the necessary information about the people responsible for	Schroders is responsible for the investment management of the Fund. As at the date of this PDS, there are no unusual and/or materially onerous terms (from the perspective of an investor) in the Fund's constitution and there have been no adverse regulatory findings	For additional information in relation to the investment manager, please refer to 'About
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	managing the Fund's investments, as well as arrangements between the responsible entity and any investment manager.	against Schroders or any individuals in the investment team in the past five years. Schroders' investment team is made up of investment professionals located in Australia with extensive experience investing in Australian and New Zealand listed securities. Further information on key individuals in the investment team is set out in 'Investment management of the Fund and the Investment Team' in section 4 of this PDS.	Schroders' in section 1 and 'Investment management of the Fund and the investment team' in section 4 of this PDS.
Fund structure	This disclosure principle is intended to ensure that the investment structures involved, the relationships between entities in the structure, fees and other costs payable to the responsible entity and investment manager, jurisdictions involved, the due diligence performed on underlying funds, and the related party relationships within the structure are explained.	<p>The Fund is an Australian registered managed investment scheme with the ability to have multiple unit classes.</p> <p>The key service providers that support the Fund are Link Market Services (unit registry), PwC (fund auditor), EY (compliance plan auditor), UBS AG (prime broker), UBS Nominees (custodian) and JPMorgan (administrator).</p> <p>The Responsible Entity has entered into separate agreements with each of its service providers which set out the terms and conditions of the relationship, as well as the consequences of any breaches to the terms of the relationship and rights of termination.</p> <p>The Responsible Entity has in place procedures to monitor, where appropriate, key service providers with the aim of ensuring services are provided in accordance with the service agreements and service level standards.</p> <p>The Responsible Entity has arrangements in place with one or more other entities in the Schroders Group, which are related parties of the Responsible Entity, to delegate its back office functions to such entities. These back office functions include trade settlement, data services, position and record keeping, performance reporting and valuation reporting, and may be relevant to the Fund. The costs associated with the delegation are paid by the Responsible Entity and are not borne by the Fund.</p> <p>The key risks to the Fund's structure include fund risk, prime broker risk and counterparty/service provider risk. Further information about the risks of the structure is set out in 'Risks of investing in the Fund' in section 5 of this PDS.</p>	For additional information in relation to the Fund structure, please refer to 'How the Fund works' in section 4, 'Key service providers' in section 7 and 'Risks of investing in the Fund' in section 5 of this PDS.
Valuation, location and custody of assets	This disclosure principle is intended to ensure that the responsible entity of the Fund discloses the types of assets held, where they are located, how they are valued and the custodial arrangements.	<p>The Fund primarily invests in or short sells a portfolio of securities in a broad range of publicly listed entities (or entities about to be listed) predominately on Australian and New Zealand securities exchanges. The Fund may also invest up to 10% of its assets under management in securities listed outside of Australia and New Zealand.</p> <p>The Fund may also invest in exchange traded and OTC derivatives and cash or cash equivalents.</p> <p>The Fund has a valuation policy where the Fund's assets and liabilities are usually valued each Business Day.</p> <p>Generally, for unit pricing purposes, listed securities and exchange traded derivatives are valued using the last available market price quoted on the relevant</p>	For additional information in relation to the valuation, location and custody of assets in the Fund, please refer to 'Unit pricing (NAV per unit) and the valuation of the Fund's assets' in section 6, 'How the Fund works' in section 4 and

		<p>exchange. Any other assets such as unlisted securities, OTC derivatives, cash and cash equivalents are valued at recoverable value and generally by reference to independent pricing sources. Any income entitlements and receivables including any amounts of GST recoverable from the ATO are also included in asset values used to calculate the net asset value of the Fund.</p> <p>Further information in relation to the types of assets that the Fund invests in and the asset allocation ranges is set out in 'How the Fund works' in section 4 of this PDS.</p> <p>The assets of the Fund are held by UBS Nominees as the custodian of the Fund.</p>	<p>'Key service providers' in section 7 of this PDS.</p>
Liquidity	<p>This disclosure principle is intended to ensure that investors are made aware of the Fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.</p>	<p>This disclosure principle is currently not applicable to the Fund as at the date of this PDS the Responsible Entity can reasonably expect to realise at least 80% of its assets, at the value ascribed to those assets in calculating the Fund's NAV, within 10 days.</p>	<p>For additional information in relation to liquidity, please refer to 'Liquidity' in section 4 of this PDS.</p>
Leverage	<p>This disclosure principle is intended to ensure that investors are made aware of the maximum anticipated and allowed level of leverage of the Fund (including leverage embedded in the assets of the Fund).</p>	<p>The Fund will employ leverage as part of its investment strategy. The Fund may use leverage by borrowing cash and offering securities as collateral, as well as utilising the cash generated from a short securities sale to purchase additional securities, magnifying the exposure to the securities. This strategy has the effect of magnifying both positive and negative Fund returns, which in turn may magnify other investment risks. The Fund will use leverage when the Responsible Entity considers it appropriate in order to pursue the investment strategy.</p> <p>The only counterparty to any leveraged transactions undertaken by the Fund (whether involving the borrowing of cash or securities) will be the prime broker. The assets of the Fund may be used as collateral in connection with those transactions and such assets may be exposed to set off rights or other claims from the prime broker.</p> <p>The Fund's Constitution does not limit the level of leverage employed by the Fund.</p> <p>The maximum anticipated level of gross leverage (which is calculated as the sum of the Fund's gross long positions plus the sum of its gross short positions, as a percentage of the Fund's NAV) is 200%. The maximum anticipated level of net leverage (which is calculated as the sum of the Fund's gross long positions minus the sum of its gross short positions, as a percentage of the Fund's NAV) is 150%.</p> <p>At the maximum level of gross leverage, the Fund will have 150% long exposure and 50% short exposure, which will result in 100% net equity exposure. At the maximum level of net leverage, the Fund will have 150% long exposure and 0% short exposure, resulting in 150% net equity exposure. In either case, the maximum level of borrowing that the Fund will</p>	<p>For additional information in relation to the use of leverage in the Fund, please refer to 'Leverage' in section 4 of this PDS.</p>

		<p>undertake is limited to 50% of the Fund's net asset value.</p> <p>A worked example showing the impact of leverage on investment returns and losses is set out in 'Leverage' in section 4 of this PDS.</p>	
Derivatives	<p>This disclosure principle is intended to ensure that investors are made aware of the purpose and types of derivatives used by the responsible entity or investment manager, and the associated risks.</p>	<p>The Fund primarily deals in exchange traded derivatives listed on the ASX and OTC derivatives with the primary aim of managing risk, including, without limitation, seeking to protect against unfavourable changes in an investment's price brought about by short selling, changes in interest rates, credit risk, equity prices, currencies or other factors.</p> <p>The main risk to the Fund as a consequence of dealing in exchange traded and OTC derivatives is derivatives risk (including OTC derivatives risk). The key risks associated with investing in derivatives are set out in 'Risks of investing in the Fund' in section 5 of this PDS.</p> <p>A summary of the criteria used by the Fund in engaging derivative counterparties is set out in 'Derivatives' in section 4 of this PDS.</p>	<p>For additional information in relation to the use of derivatives in the Fund, please refer to 'Derivatives' in section 4 of this PDS and 'Risks of investing in the Fund' in section 5 of this PDS.</p>
Short selling	<p>This disclosure principle is intended to ensure that investors are made aware of how short selling may be used as part of the investment strategy, and of the associated risks and costs of short selling.</p>	<p>Short selling may be used to expand the range of available investment opportunities and achieve returns when security prices are expected to go down.</p> <p>Short selling is the practice of selling securities that have been borrowed from a securities lender ('covered short selling') and selling them in the market leaving the Fund with a 'short position'.</p> <p>This is done with the expectation that the securities will be repurchased at a price lower than the initial sale price and then returned to the securities lender.</p> <p>As the Fund engages in short selling, the Fund may be exposed to short position risk where there is no limit on the maximum loss that can be incurred from a short position.</p> <p>The Fund pays a fee to borrow securities from the prime broker for any covered short selling.</p> <p>Risks associated with short selling and how these risks are managed are discussed in 'Risks of investing in the Fund' in section 5 of this PDS.</p>	<p>For additional information in relation to the use of short selling in the Fund, please refer to 'Short selling' in section 4 and 'Risks of investing in the Fund' in section 5 of this PDS.</p>
Withdrawals	<p>This disclosure principle ensures that investors are made aware of the circumstances in which the Fund allows withdrawals and how these might change.</p>	<p>The Fund is normally open to daily withdrawals. Valid withdrawal requests received by Schroders before 1pm Sydney time on a Dealing Day will normally be processed at the unit price calculated for that Business Day.</p> <p>If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or an asset class, there is a risk that the generally applicable timeframe of seven Business Days for meeting withdrawal requests may not be able to be met. This is because it may take longer to sell investments at an acceptable price. In this case, and in a number of other circumstances, Schroders may suspend (for up to 90 days) withdrawals from the Fund.</p>	<p>For additional information in relation to withdrawals from the Fund, please refer to 'How to withdraw from the Fund' in section 10 of this PDS.</p>

Schroders may also stagger the withdrawal of units in certain circumstances.

Withdrawals from the Fund are not currently funded by an external liquidity facility.

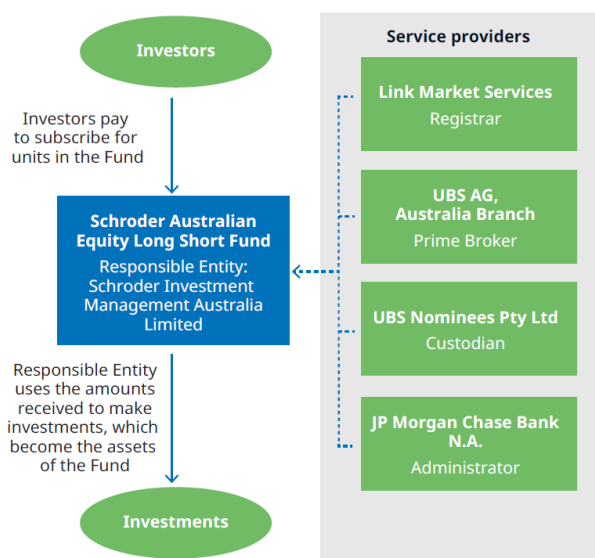
4. How the Fund works

Fund structure

The Fund is a registered managed investment scheme that is an unlisted Australian unit trust. Schroders is the responsible entity of the Fund and is based in Australia.

Investors in the Fund hold Units in the Fund, which represent their beneficial interest in the assets of the Fund as a whole, but do not give an interest in any particular asset of the Fund. We may, at our discretion, issue additional Units in the Fund of the same class or of a different class to the Units already on issue.

The following diagram shows the Fund's structure, including the key service providers and the flow of investment money through the structure:



Further information about the key service providers and the scope of their services to the Fund is set out in 'Key service providers' in section 7 of this PDS.

Investment management of the Fund and the investment team

Schroders is responsible for the investment management of the Fund.

Schroders' investment team is made up of investment professionals located in Australia with extensive experience investing in Australian and New Zealand listed securities.

The individuals responsible for the portfolio construction process for the Fund, with final decision-making authority and accountability for investment decisions, are Joseph Koh and Ray David, who are the

Co-Portfolio Managers of the Fund. Joseph and Ray will be supported by a broader team of analysts.

Joseph Koh is a Co-Portfolio Manager for the Fund, with over 25 years' industry experience. Joseph re-joined Schroders in 2016, after having worked at Schroders between 2001 and 2008. Between his jobs at Schroders, Joseph worked as an investment analyst at Regal Funds Management. Joseph commenced his investment career in 1997 at BT Australia. He holds a Bachelor of Business with distinction (Accounting and Finance major) from University of Technology Sydney and also holds the Chartered Financial Analyst (CFA) designation.

Ray David is a Co-Portfolio Manager for the Fund, with over 20 years' industry experience. Ray joined Schroders in July 2012 from UBS in Sydney where he held the position of Director and Analyst for Emerging Australian Companies focusing on general industrials, consumer discretionary, technology and services for four and a half years. Prior to UBS, Ray worked as an equities analyst at Foster Stockbroking covering gaming, media, telecommunications and retail sectors. Ray commenced his financial services career at Aspect Huntley in 2002 as an analyst. He holds a Bachelor of Economics with majors in economics, finance and econometrics, as well as a Graduate Diploma in Applied Finance and Investment.

Joseph and Ray will devote the majority of their time to investment management activities relevant to the investment strategy pursued by the Fund, but are not required to dedicate a specific proportion of their time exclusively to managing the assets of the Fund.

As at the date of this PDS, there are no unusual and/or materially onerous terms (from the perspective of an investor) in the Fund's constitution and there have been no adverse regulatory findings against Schroders or any individuals in the investment team in the past five years.

Investment return objective

The objective of the Fund is to outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term, by investing in or short selling securities in a broad range of publicly listed entities (or entities about to be listed) predominately on Australian and New Zealand securities exchanges. The Fund may also use derivatives, including, without limitation, for the purposes of managing currency risk to help achieve the Fund's investment objective.

The Fund may also invest up to 10% of its assets under management in securities listed outside of Australia and New Zealand.

Investment strategy

The Fund seeks to assess the underlying business fundamentals of stocks predominately in Australian and New Zealand listed equity markets, forming a view on the long term value of these businesses, and investing in those that are undervalued (essentially, under-appreciated by the market). The Fund will also establish short positions in stocks which are both over-valued and where there are signs of stress in the underlying business profitability, or alternatively as a hedge for a long position.

The Fund is managed with reference to ESG factors. This means the impact and risk around issues such as climate change, environmental performance, labour standards or corporate governance are considered in the assessment of investments. Schroders engages with entities held by the Fund to challenge identified areas of weakness in ESG performance. Further information about how Schroders takes into account ESG factors when investing are set out in 'Labour standards and environmental, social and ethical considerations' in section 6 of this PDS.

Asset classes, investment ranges and diversification guidelines or limits

The Fund targets a 130% long / 30% short portfolio structure. For practical purposes this could vary within a range (70% to 150% long and 0% to 50% short), with a typical target net exposure position of 90 to 110%. The minimum and maximum net exposure is expected to be 70% and 150% respectively. The target 130% long / 30% short portfolio structure should translate into a diversified portfolio typically consisting of 30–75 long stock positions and up to 30 short positions. Given the target of 130% long / 30% short, the average short position will be smaller than the average long position, which (in addition to other risk-mitigating procedures) helps to reduce short position risk.

The Fund may also invest in unlisted securities which are expected to be listed within the next 24 months, up to a maximum allocation of 10%.

The maximum individual stock position size will be within 5% of its respective index weight in the S&P/ASX 200 Accumulation Index. For example, the individual limit for a stock outside of the S&P/ASX 200 Accumulation Index is 5%.

Asset class	Investment ranges
Australian and NZ listed equities – Long	70% to 150%
Australian and NZ listed equities – Short	0% to 50%
International listed equities – Long	0% to 10%
International listed equities – Short	0% to 10%

Unlisted equities (but expected to be listed within 24 months) – Long	0% to 10%
Cash and cash equivalents	-50% to 30% (Generally +/- 10%)
Net equity exposure (i.e. the total long equity positions – total short equity positions)	70% to 150%

The Fund may also enter into exchange traded and OTC derivatives for the purposes of risk management, but it is unlikely that the value of such derivatives would form a significant proportion of the assets of the Fund. For example, the Fund is likely to hold and trade in S&P/ASX 200 Accumulation Index futures from time to time for the purposes of hedging market risk.

Key assumptions or dependencies underpinning the strategy's ability to produce investment returns

There are no key dependencies or assumptions underpinning the Fund's investment strategy or its ability to produce investment returns. Rather the Fund aims to achieve its investment return objective, regardless of market conditions.

The risks associated with this investment strategy and how these risks are managed are discussed in 'Risks of investing in the Fund' in section 5 of this PDS.

Short selling

The Fund engages in short selling with the aim of enhancing returns. Short selling is the practice of selling securities that have been borrowed from a securities lender and selling them in the market leaving the Fund with a 'short position'. This is done with the expectation that the securities will be repurchased at a price lower than the initial sale price and then returned to the securities lender.

The Fund provides cash or securities to the securities lender as collateral for the securities that the Fund borrows. Each of the entities that the Fund conducts securities lending with will have signed an Australian Master Securities Lending Agreement with credit exposures limited to the difference between the securities borrowed to cover the short sale and the amount of cash or security collateral the Fund lodges with the securities lender. Security lenders generally require a margin over the borrowed amount, usually 110% if stock is lodged as collateral or 105% if cash is lodged as collateral.

As the Fund engages in short selling, the Fund may be exposed to short position risk where there is no limit on the maximum loss that can be incurred when short selling. The Fund primarily seeks to manage short selling risks by setting appropriate initial position sizes, by reviewing positions and the investment thesis as prices rise, and by having offsetting long positions in

similar securities. Short selling may also increase the Fund's gross equity exposure to the stock market above 100%. The Fund is restricted to short securities up to a maximum of 50% of the Fund. This in turn may magnify the exposure to other investment risks detailed in 'Risks of investing in the Fund' in section 5 of this PDS.

Why does the Fund use long/short investing?

The Fund uses long/short investing because the Responsible Entity considers that to do so:

- Offers expanded opportunity to generate returns above the Fund's benchmark
- Allows negative views to be rewarded through short-selling
- Allows high conviction positive views to be rewarded through increased exposure
- Can add value in both rising and falling markets

How does long/short investing work?

The steps below set out a simplified example of how the Fund could use long/short investing to build a portfolio. This is a simplified example provided for illustrative purposes only and is not intended to be an accurate representation of the Fund's actual or likely portfolio composition and construction process.

1. Build a portfolio by acquiring listed securities with 100% of the capital, resulting in a 100% 'long exposure'
2. Borrow securities worth 30% of the capital and sell the securities in market through short selling, resulting in a 30% 'short exposure'
3. Using the proceeds from short selling, buy an additional 30% in securities, increasing long exposure by 30%

At the conclusion of these steps, the Fund's gross exposure (long exposure plus short exposure) to the market would be 160% of original capital, and the Fund's net exposure (long exposure minus short exposure) would be 100% of original capital.

Leverage

The Fund's Constitution does not limit the leverage exposure of the Fund.

The Fund may use leverage by borrowing cash and offering securities as collateral, as well as utilising the cash generated from a short securities sale to purchase additional securities, magnifying the exposure to the securities. This strategy has the effect of magnifying both positive and negative Fund returns, which in turn may magnify other investment risks. The Fund will use leverage when considered appropriate by the Responsible Entity to pursue the investment strategy.

The only counterparty to any leveraged transactions undertaken by the Fund (whether involving the borrowing of cash or securities) will be the prime

broker. The assets of the Fund may be used as collateral in connection with those transactions and such assets may be exposed to set off rights or other claims from the prime broker. Such claims may arise in the event that the Fund becomes insolvent, the Fund fails to meet a repayment obligation owed to the prime broker, or another event of default occurs in relation to the Fund under its arrangements with the prime broker. The maximum anticipated level of gross leverage (which is calculated as the sum of the Fund's gross long positions plus the sum of its gross short positions, as a percentage of the Fund's NAV) is 200%. In that situation for every \$1.00 of the Fund's NAV, the Fund will be leveraged by a further \$1.00 (for a total of \$2.00).

The maximum anticipated level of net leverage (which is calculated as the sum of the Fund's gross long positions minus the sum of its gross short positions, as a percentage of the Fund's NAV) is 150%.

At the maximum level of gross leverage, the Fund will have 150% long exposure and 50% short exposure, which will result in 100% net equity exposure. At the maximum level of net leverage, the Fund will have 150% long exposure and 0% short exposure, resulting in 150% net equity exposure. In either case, the maximum level of borrowing that the Fund will undertake is limited to 50% of the Fund's net asset value.

Below is an example showing the impact of the Fund's borrowing on investment returns and losses of the Fund assuming that the maximum level of borrowing (that is, 50% of the Fund's NAV) is reached (which will occur at both the maximum level of gross leverage and the maximum level of net leverage, as described above):

- A 10% increase in the return on assets of the Fund would result in a 15% increase in the NAV of the Fund. For an investment of \$50,000 in the Fund this would mean the investment would increase by \$7,500 (being \$50,000 x 15%)
- A 10% decrease in the return on assets of the Fund would result in a 15% decrease in the NAV of the Fund. For an investment of \$50,000 in the Fund this would mean the investment would decrease by \$7,500 (being \$50,000 x 15%)

The above example is provided for illustrative purposes only and any assumptions underlying this example are hypothetical only.

Derivatives

The Fund primarily deals in exchange traded derivatives listed on the ASX, such as options and futures, with the primary aim of managing risk, including, without limitation, seeking to protect against unfavourable changes in an investment's price brought about by short selling, changes in interest rates, credit risk, equity prices, currencies or other factors. Exchange traded derivatives do not have a counterparty as all

settlement and clearing obligations are met by the relevant clearing agent.

The Fund may also use OTC derivatives (such as options and forwards contracts) for managing risk and hedging.

Where the Fund enters into OTC derivatives or exchange traded derivatives, the assets of the Fund may be used as collateral or as a security interest, which may be otherwise encumbered or exposed to set-off rights in the event of insolvency (or other events of defaults).

The risk associated with the collateral requirements of derivative counterparties involves an assessment of the creditworthiness and suitability of counterparties. Generally the Fund will only enter into and execute OTC derivative trades with counterparties which have had a rating assigned to them by a recognised credit rating agency of at least BBB (if rated by S&P Global Ratings or Fitch Ratings), Baa2 (if rated by Moody's Investor Service), or equivalent.

All counterparties are also subject to approval and review by Schroders Group's risk department.

See 'Risks of investing in the Fund' for information regarding 'Collateral risk', 'Derivative risk' and 'Counterparty/service provider risk' in relation to the Fund.

Key features

Investing in the Fund offers a range of benefits including:

Expertise: access to Schroders' highly experienced investment management team with a proven track record.

- A focus on companies able to deliver solid and sustainable cashflows and reasonable returns on capital
- A disciplined and structured investment approach which seeks to maximise comparability across businesses and maintain high levels of objectivity in valuations
- An intuitive and common-sense approach to risk management which seeks to focus on the fundamental risk inherent in a business and the way it is financed rather than focusing unduly on the range of emotional and non-fundamental factors which drive day to day share prices
- An integrated research approach where analyst research is organised along sectoral lines such that analysts maximise knowledge of how an industry operates and how businesses make money rather than focusing on business size
- An investment approach that incorporates the use of data science, company and competitor meetings and rigorous team debate in an effort to ensure assumptions incorporated in financial models and the assessment of business and industry fundamentals are as accurate as possible

- An experienced and dedicated investment team

The benefits of diversification: the potential to diversify an investment portfolio.

Exposure to short positions in entities: access to short positions in listed entities that offer an additional opportunity for generating investment returns, which individual investors may not be able to access on their own.

Risks

Please refer to 'Risks of investing in the Fund' in section 5 of this PDS for details of the key risks associated with an investment in the Fund.

Liquidity

The Fund will primarily invest in liquid assets in accordance with its investment strategy. As a result the Fund is expected to be able to liquidate its investment in order to meet any withdrawal requests from investors on a daily basis.

At the date of this PDS, we reasonably expect that at least 80% of the Fund's assets are capable of being realised at the value ascribed to those assets when calculating the Fund's NAV, within 10 days. Where applicable, we will provide relevant information with respect to liquidity in the monthly reports for the Fund.

The Schroders Group Investment Risk Framework requires regular monitoring of the liquidity of the assets in which the Fund invests to seek to ensure that the Fund remains liquid and within permitted investment parameters.

5. Risks of investing in the Fund

It is important to understand the risks associated with investing in the Fund. The nature of investment markets is such that the return on investment markets, as well as individual investments, can vary significantly and future returns are unpredictable. In the event that any of the risks (including those described on the following pages) eventuate then they may affect the value of the Fund's assets and hence unit prices and the extent to which the Fund is able to make distributions. Different types of investments perform differently at different times and have different risk characteristics and volatility.

The risks of and return on investments will be influenced by a variety of factors, including many outside the control of Schroders, such as domestic and international markets, economic conditions, political climates, interest rates and inflation.

The significant risks that may affect the performance or value of your investment in the Fund include, but are not limited to, the following.

Market risk

Market risk is the possibility that the market has negative returns over short or even extended periods. Different asset classes are exposed to different levels of market risk. For instance, cash investments have the lowest market risk whereas equities generally have higher market risks. The returns of individual securities in any asset sector would normally be determined by a combination of the market return and returns specific to each security. Where the Fund invests in more than one asset class, the level of market risk can vary from time to time subject to the allocation to each asset class at a particular point in time. Market risk also relates to the risk that the value of investments can be directly or indirectly affected by changes in legislation, economic policy, political events, technology change, changes in global economic conditions (e.g. growth and inflation) and pandemics or health crises.

Short selling risk

Selling securities short involves the selling of borrowed securities with the expectation that the securities can be repurchased for return to the lender at a price lower than the initial sale price. Short selling risk arises for the Fund because there is the possibility that the price of the borrowed securities could increase above the initial short sale price, leading to losses for the Fund.

Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a borrowed security may appreciate. Short selling has the effect of leveraging the investment return of the Fund (as mentioned below) and carries the risks of magnifying the impact of negative returns and increased margin calls. Additionally, there is a risk that the security lender may request the return of the security, giving rise to the possibility that positions may have to be closed at a loss and not at a time of Schroders' choosing. Schroders intends to limit this risk by strict adherence to its investment process and investment guidelines.

Leverage risk

The Fund may use leverage by borrowing cash and offering securities as collateral, as well as utilising the cash generated from a short securities sale to purchase additional securities to extend long positions. The purchase of the additional securities has the effect of leveraging the Fund's investment return and carries the associated risk of magnifying the volatility of investment gains or losses on the capital invested. In addition, the assets of the Fund may be used as collateral for leveraged transactions and may become the subject of claims by the prime broker in the event of insolvency, the failure by the Fund to comply with its repayment obligations, or other events of default. Schroders intends to limit this risk by strict adherence to its investment process and investment guidelines.

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, among other things, the underlying strength of the cash flows, balance sheet and management of an entity. Also affecting the performance of equity markets are changes in global economic conditions (e.g. growth and inflation), interest rates and bond yields.

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.

Prime broker risk

The Fund has appointed UBS AG as prime broker to the Fund and UBS Nominees as custodian of the Fund.

The Fund will rely on the prime broker to obtain leverage and to carry out short selling when seeking to achieve the investment objectives of the Fund. If the prime broker defaults on the performance of its obligations under its agreement with the Fund, or that agreement is otherwise terminated, the Fund may not be able to effectively pursue the investment strategy until an alternative prime broker can be appointed.

The Fund has also granted a security interest over the assets held by the custodian to the prime broker to secure its obligations to the prime broker. The prime broker may, in some circumstances, require the custodian to deliver certain assets of the Fund to the prime broker. The prime broker is entitled to borrow, lend, charge, rehypothecate or otherwise deal with those assets on its own account, subject to an obligation to return equivalent assets to the custodian. In the event of insolvency of the prime broker, the Fund will rank as an unsecured creditor of the prime broker and may not be able to recover such assets in full or at all.

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 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. The Fund may invest in exchange traded and OTC derivatives for risk management purposes. In relation to OTC derivatives, exposure to counterparty risk exists as well as the risk that contractual obligations may be non-standard or differ as between counterparties. Schroders employs a risk management process to oversee and manage derivative exposure within the Fund.

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 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 they are traded and settled between two counter parties or cleared through a central counterparty clearing house ('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 also 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. For additional information in relation to withdrawals from the Fund, please refer to 'How to withdraw from the Fund' in section 10 of this PDS.

Smaller entities risk

Smaller entities may include recently established entities with limited public information, or entities engaged in new- to-market concepts which may be speculative in nature. Securities in smaller entities may trade less frequently and in smaller volumes and therefore may be affected by liquidity risk to a greater degree than securities in larger entities. Smaller entities may also have limited operating histories, markets, product lines or financial resources than larger entities. They may also depend heavily on key personnel.

Pricing risk

While assets in the Fund are 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 listed securities that have been suspended from trading, 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.

Interest rate risk

Changes in official interest rates can directly and indirectly impact (positively or negatively) on investment return.

Interest rates have a direct impact on the cost of the Fund's borrowing activities. An increase in interest rates will generally lead to an increase in the Fund's borrowing costs, which will reduce the returns received by investors in the Fund as those costs are borne by the Fund. In addition, where borrowing costs are high the Fund may use less leverage than would otherwise be the case, which could reduce potential investment returns.

Generally, an increase in interest rates also has a contradictory effect on the state of the economy and the valuation of securities. For example, rising interest rates can have a negative impact on an entity's value as increased borrowing costs may cause earnings to decline. As a result, the entity's share price may fall.

Currency risk

Units in a Fund are denominated in Australian Dollars. However, investments of a 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 by Schroders from time to time.

Counterparty/service provider 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 may also arise from transactions involving OTC derivatives. The Fund is also, to a certain extent, reliant on external service 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.

Schroders assesses the credit worthiness of counterparties as part of the risk management process.

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 strategy. 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.

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.

Collateral risk

This is the risk that the Fund, through its entry into derivatives arrangements that require it to deliver

collateral to the derivative counterparty or clearer, may be exposed to certain risks in respect of that collateral. For example, the Fund will need to ensure it has sufficient liquid assets to satisfy its obligations to post initial margin/collateral to derivative counterparties or a clearer. The Fund will also need to have sufficient liquid assets to satisfy calls for additional margin/collateral where there is a movement in the value of the derivative arrangement. The Fund will also be subject to the credit risk of the derivatives counterparty or clearer. In the event the counterparty or clearer becomes insolvent at a time it holds margin/collateral posted with it by the Fund, the Fund will be an unsecured creditor and will rank behind preferred creditors.

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.

Fund risk

The following risks are inherent in any managed fund, including 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 from investing in the underlying assets directly because of the application of tax laws to the Fund, income or capital gains accrued in the Fund, the deduction of management 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 affect 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 this occurs, we will provide at least 30 days' prior written notice of any changes (see 'Changing the fees' in section 8 of this PDS)
- The Fund may be terminated
- While it is expected that the Fund will typically hold a relatively diversified portfolio of 30-75 long stock positions and up to 30 short positions, an investment in the Fund may lead to more volatile returns than investing in a fund with an even more diversified portfolio (for example, across multiple asset classes)

As stated above, as a result of these risks, the value of an investment in the Fund and the level of distributions, if any, may change.

How Schroders seeks to manage risks

The investment process aims to minimise risk by focusing on the valuation of assets and minimising exposure to overpriced assets where risk is high. Schroders also seeks to minimise risk through diversification of the Fund's assets.

Derivatives may also be used for hedging and risk management purposes. Where derivatives are used, Schroders will ensure that, at all times, there are sufficient liquid funds to discharge its liabilities in relation to these investments. Further information about derivatives and how Schroders uses derivatives can be found in the current Schroders Derivative Risk Statement, which can be provided free of charge at your request or obtained from the Schroders' website www.schroders.com.au.

6. Additional Fund information

Unit pricing (NAV per unit) and the valuation of the Fund's assets

The process for calculating NAV and NAV per unit is set out in the Fund's Constitution. Schroders has appointed JPMorgan Chase Bank N.A. (Sydney Branch) ('JPMorgan') to calculate the Fund's NAV and NAV per unit daily, which will be published on Schroders' website www.schroders.com.au.

The NAV estimates the value of the Fund at the close of trading on the previous Business Day.

The Fund's assets and liabilities will usually be valued each Business Day.

Schroders' Unit Pricing Discretions Policy contains further detail about how the NAV per Unit is calculated. This policy is available on our website www.schroders.com.au. A copy of this policy may be obtained free of charge upon request.

Labour standards and environmental, social and ethical considerations

Schroders takes into account labour standards and environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments of the Fund.

As investors, the way we direct capital not only shapes the financial returns we achieve but also the type of impact we have on the world. We are committed to creating a better future by investing responsibly for our clients, shareholders and the community as a whole to ultimately deliver a positive outcome for all. We see ourselves as long-term stewards of our clients' capital, and this philosophy leads us to focus on the long-term prospects for the assets in which we invest. It is central

to our investment process to analyse each investment's ability to create, sustain and protect value and to ensure that it can deliver returns in line with our clients' objectives.

We believe our responsibility includes focusing on protecting the interests of our clients from the impacts of financial and non-financial risks, including those relating to environmental, social and governance ('ESG') factors. As such, ESG factors are integrated into our research and overall investment decisions across investment desks and asset classes. We recognise that different asset classes, portfolio strategies and investment universes require different lenses to most effectively strengthen decision making. Our integration approach spans the breadth of the investment process, from identifying trends, analysing securities and constructing portfolios, through to engagement, voting and reporting. As a signatory to the UN Global Compact we consider the principles alongside a broader range of issues when making investment decisions.

We believe active ownership is critical. We engage with the companies we invest in to encourage them to transition towards a more sustainable business model – one which is more resilient and can support future growth over the long term. This commitment goes hand-in-hand with advocating for what's most important. Channelling capital into sustainable and durable businesses creates value and helps speed up positive change.

We have a dedicated Sustainable Investment team in London, with representatives also based in the APAC region, focused on integrating ESG considerations across investment desks and asset classes globally. Our local investment teams have access to this team to help incorporate ESG factors into their idea generation, analysis and forecasts. Our local teams can leverage the global Sustainable Investment team's research on emerging ESG trends which may highlight potentially significant valuation impacts on our investments.

Locally, our teams integrate ESG considerations throughout their investment decision making across asset allocation and security selection. We believe it is possible to actively embed ESG factors, focusing primarily on longer-term issues, into our asset class return forecasts and assessments of company quality, future revenue and in turn its value, which our fund managers and analysts incorporate into their research and their investment decisions.

In addition, we also reflect our overarching ESG beliefs across our portfolios in the way we construct and implement our investments. For example, Schroders may exclude certain securities on ethical and social considerations, such as cluster munitions, tobacco and nuclear weapons. A list of securities excluded having regard to these considerations can be viewed at www.schroders.com.au.

Schroders is also an active member of a number of investor groups focused on promoting ESG 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, and we maintain the highest rating for our Strategy & Governance approach to Responsible Investment. We are also a member of the Responsible Investment Association of Australasia (RIAA). A full list is available on our website.

Further information on sustainability at Schroders and how we integrate ESG globally can be found in our ESG Policy which is published on our website www.schroders.com.au. Details about how we specifically address modern slavery risk in our investment process are also set out in our Group Slavery and Human Trafficking Statement which is available on our website. A copy of these policies and statements may be obtained free of charge upon request.

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 the Fund. Where we enter into such arrangements, they will be based on arm's length commercial terms or as otherwise permissible under the law. Where the 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.

In the course of managing the Fund we may come across conflicts in relation to our duties to the Fund, related funds and our own interests. We have internal policies and procedures in place to manage all conflicts of interest appropriately. These policies and procedures will be 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 requirements.

Investor suitability and target market determination

In accordance with our "design and distribution" obligations under Part 7.8A of the Corporations Act, we have considered the design of the Fund (including its key attributes) and determined an appropriate target market for the Fund – that is, a class of investors for whom the Fund, including its key attributes, we consider would likely be consistent with their likely objectives, financial situation and needs. These considerations are documented in the Target Market Determination (TMD) for the Fund, and a summary of our determination is set out in section 2 of this PDS.

A copy of the current TMD for the 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 the Fund is distributed in accordance with its TMD or to otherwise fulfil our obligations under the DDO Regime.

7. Key service providers

The Responsible Entity has appointed a number of key service providers that are involved in the ongoing operation of the Fund.

The Responsible Entity has in place procedures, including periodic and annual reviews to monitor, where appropriate, key service providers with the aim of ensuring services are provided in accordance with the service agreements and service level standards.

The key service provider arrangements are summarised below:

Registrar

The Responsible Entity has appointed Link Market Services as the registrar of the Fund. Link Market Services maintains the Fund's unit registry, valuation, and fund accounting for the Fund.

Administrator

The Responsible Entity has appointed JPMorgan as administrator of the Fund. As administrator, JPMorgan provides services such as valuation and fund accounting for the Fund.

Prime Broker and Custodian

The Responsible Entity has appointed UBS AG to be the prime broker and UBS Nominees as custodian for the Fund (together, 'UBS'). The appointments were made pursuant to the prime brokerage customer documents (the 'Customer Documents') entered into between the Fund and the prime broker and the custodian.

The services of UBS AG as prime broker to the Fund include the clearing and settlement of transactions, cash loans, borrowing and lending of securities and other services as agreed between the parties. UBS AG may also provide a cash account which is a ledger for recording the Fund's cash balances under the Customer Documents. UBS Nominees as custodian to the Fund will provide custody services for some or all of the Fund's investments. The custodian may appoint sub-custodians, agents or nominees (including a related entity of the custodian) to perform the services of the custodian under the Customer Documents. The assets of the Fund held by the custodian will be subject to a security interest to secure the Fund's obligations to UBS and its related entities.

To the extent permitted by law, none of UBS or its related entities will be liable for any loss suffered by the Fund under or in connection with the Customer Documents unless such loss results directly from their negligence, wilful default or fraud as set out in the terms of the Customer Documents. UBS Nominees as custodian is not liable to the Fund for the solvency, acts or omissions of any agent, nominee, sub-custodian, settlement agent, securities depository or other third party appointed in accordance with the Customer Documents (other than related entities), but will make available to the Fund, when and to the extent reasonably so requested, any rights that it may have against such person.

UBS AG is a foreign Authorised Deposit-Taking Institution (Foreign ADI) under the Banking Act 1959

(Cth) and is supervised by the Australian Prudential Regulation Authority. Note that provisions in the Banking Act 1959 (Cth) for the protection of depositors do not apply to Foreign ADIs, including UBS AG.

Auditors

PricewaterhouseCoopers has been appointed as the independent auditor of the Fund's financial statements. Ernst & Young has been appointed as the independent compliance plan auditor for the Fund.

Back office services

In addition to the service provider arrangements stated above, the Responsible Entity has entered into arrangements with one or more entities within the Schroders Group, which are related parties of the Responsible Entity, to delegate its back office functions to such entities. These back office functions include trade settlement, data services, position and record keeping, performance reporting and valuation reporting, and may be relevant to the Fund. The costs associated with the delegation are paid by the Responsible Entity and are not borne by the Fund.

Other than as set out above, there are no related party relationships between the Responsible Entity and the Fund and the key service providers.

8. 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 fees. 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) MoneySmart** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and costs summary

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Tax details are set out in the 'Taxation issues' section of this PDS.

You should read all the information about fees and costs, because it is important to understand their impact on your investment.

Schroder Australian Equity Long Short Fund

Type of fee or cost*	Amount	How and when paid
Ongoing annual fees and costs**		

Management fees and costs The fees and costs of managing your investment ¹	Estimated to be 0.62% p.a. of the NAV of the Fund, comprised of: 1. A management fee of 0.62% p.a. of the NAV of the Fund***. 2. Estimated indirect costs of 0% p.a. of the NAV of the Fund. 3. Estimated expense recoveries of 0% p.a. of the NAV of the Fund.	1. The management fee is calculated and accrued daily and generally paid monthly in arrears out of the assets of the Fund within 10 Business Days after the end of the month. 2. Indirect costs are generally deducted from the assets of the Fund as and when incurred. 3. Expense recoveries are generally deducted from the assets of the Fund as and when incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated to be 1.07% p.a. of the NAV of the Fund****. Note: Any future performance fees will vary depending on the performance of the Fund. Performance fees will be higher in periods of higher performance, and lower in periods of lower performance. Past performance is not a reliable indicator of future performance.	The performance fee is calculated as 18% of the Fund's daily performance (after fees but before the performance fee for that day) above the S&P/ASX 200 Accumulation Index (Benchmark). The performance fee is calculated each Business Day, accrued daily in the unit price and generally paid annually in arrears within 10 Business Days after the end of each financial year. The performance fee is deducted from the NAV of the Fund as a whole before unit prices are determined.
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0% p.a. of the NAV of the Fund. ²	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund, and are deducted from the assets of the Fund as and when incurred.

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)

Establishment fees The fee to open your investment	Nil	Not applicable
Contribution fee¹ The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.35% of the application amount on application and 0.35% of the withdrawal amount on withdrawal. ³	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders respectively at the time of the relevant application or withdrawal.
Withdrawal fee¹ The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee¹ The fee to close your investment	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

*Unless otherwise stated, all fees and costs are quoted inclusive of GST and net of any input tax credits ('ITCs') or reduced input tax credits ('RITCs') that are expected to be available to the Fund, and are shown without any other adjustment in relation to any tax deduction available to the responsible entity.

**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 costs reflect the actual amount incurred for the last financial year and may include Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was not available at the date of this PDS.

***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' management fee. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

**** Schroders has estimated the Fund's performance fee by applying the current performance fee rate (of 18% of the Fund's daily performance (after fees but before the performance fee for that day) above the S&P/ASX 200 Accumulation Index) to the actual performance of the Fund for all of the financial years in which the Fund was in operation. Prior to the date of this PDS the Fund's performance fee was calculated using the rates of 15% (for the period from the Fund's inception date up to 30 November 2021) and 25% (for the period from 30 November 2021 to the date of this PDS) of the Fund's daily performance (after fees but before the performance fee for that day) above the S&P/ASX 200 Accumulation Index. Due to the changes in performance fee rate, Schroders considers that the actual performance fee paid by the Fund in the past does not accurately represent the ongoing future performance fees applicable to the Fund. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

¹This fee includes an amount payable to an adviser. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

²The transaction costs disclosed in this fees and costs summary are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

³As at the date of this PDS, the buy-sell spread is 0.35% on applications and 0.35% on withdrawals. 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. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs for the Schroder Australian Equity Long Short Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – Schroder Australian Equity Long Short Fund	Balance of \$500,000 with a contribution of \$50,000 during the year ¹	
Contribution fees	Nil	For every additional \$50,000 you put in, you will be charged \$0
PLUS Management fees and costs ² comprising:	0.62% p.a.	And , for every \$500,000 you have in the Fund you will be charged or have deducted from your investment \$3,100 each year
Management fee ³ to Schroders	0.62% p.a.	
Indirect costs	0% p.a.	
Expense recoveries	0% p.a.	
PLUS Performance fees ⁴	1.07% p.a.	And , you will be charged or have deducted from your investment \$5,350 in performance fees each year.
PLUS Transaction costs ²	0% p.a.	And , you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS Cost of Fund		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$50,000 during that year, you would be charged fees and costs in the range of \$8,450 . ^{1,5}
		What it costs you will depend on the fees you negotiate.

¹Additional fees may apply. A buy-sell spread may apply to investments into and withdrawals from the Fund which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details. This example assumes that there are no abnormal expenses incurred by Schroders and recovered from the Fund during the period

²Please refer to footnote ** in the Fees and costs summary above.

³Please refer to footnote *** in the Fees and costs summary above.

⁴Please refer to footnote **** in the Fees and costs summary above.

⁵This amount excludes fees for any additional contributions that may be made during the year. Please note that the minimum initial investment for the Fund is \$500,000, and the minimum additional investment is \$50,000. We have assumed that the \$50,000 contribution is made at the end of the year and that the value of the investment is a constant. This example is therefore calculated using the \$500,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and costs charged are based on the value of the Fund, which also fluctuates daily.

Additional explanation of fees and costs

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

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 (if applicable)

All estimates of fees in this PDS are based on information as at the date of this PDS and reflect the typical ongoing amounts for the current financial year. All costs 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.

Investors in the Fund 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 the Fund, amounts paid for investing in the assets of the Fund and other expenses and reimbursements in relation to the Fund and investments.

The management fees and costs of the Fund are comprised of a management fee, indirect costs and any recoverable expenses (if incurred).

Management fee

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 a management fee of 0.62% p.a. on the NAV of the Fund (inclusive of GST less any RITC entitlement). The management fee is calculated and accrued daily and generally payable 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, on negotiated fees, see the 'Differential Fees' section below. Wholesale clients can contact Schroders at the address specified in the 'Contacting Schroders' section.

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. Management fees disclosed in this PDS will not be increased without providing at least 30 days' advance notice to you.

The 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.

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 the Fund, or the amount or value of the income of, or property attributable to the Fund, or an interposed vehicle (including an underlying fund) in which the Fund invests.

The management fees and costs figure disclosed in the fees and costs summary of this PDS includes the estimated indirect costs of the Fund of 0% p.a., which is 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 this PDS.

These indirect costs are reflected in the unit price of your investment in the 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.

Indirect costs include (where applicable):

- **Indirect management fees and costs (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. Schroders will typically offset management fees incurred by the Fund on investments in funds managed by Schroders or any other entities wholly owned by the Schroders Group to ensure 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 the Fund, Schroders may engage in trading activity in certain types of derivative financial products 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, OTC options and swap arrangements). Engaging in trade activity of these types of products may give rise to other indirect costs.

The actual indirect costs that the Fund incurs may differ from the indirect costs disclosed in this PDS. Details of any future changes to indirect 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.

Expense recoveries

Normal expense recoveries

Schroders is entitled to separately recover expenses (such as fund accounting, unit registry, audit costs, postage and preparation of tax returns etc) from the assets of the 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 the Fund.

As at the date of this PDS, Schroders has decided to pay normal expenses (including those incurred in the administration of the Fund) out of its management fee.

Abnormal expense recoveries

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

Abnormal expenses are not generally incurred during the day-to-day operation of the 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 the Fund.

The management fees and costs figure disclosed in the fees and costs summary in this PDS includes the estimated abnormal expense recoveries of the Fund, which is 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 PDS.

Performance fee

Schroders is entitled to recover a performance fee from the Fund. The performance fee is calculated as 18% of the Fund's daily performance (after fees but before the performance fee for that day) above the Performance Hurdle which is the return of the S&P/ASX 200 Accumulation Index. The performance fee is calculated each Business Day during a performance fee period (being each financial year) ('Performance Fee Period'), accrued daily in the unit price and paid annually in arrears generally within 10 Business Days ('Payment Date') of the end of each Performance Fee Period.

Full details of how the fee is calculated are set out in the Fund's Constitution.

The performance fee for a Performance Fee Period is equal to the aggregate of the daily performance fees during that period. Sometimes the calculation of the daily performance fee will result in a negative dollar amount ('negative performance fee'). Where this occurs, the value of the 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. Any negative aggregate daily performance fee will not be accrued in the unit price.

If at the end of a Business Day the aggregate of the daily performance fees for the Performance Fee Period (that is, the total accrued performance fee to date) is negative, where there has been a net fund outflow on that Business Day the negative performance fee accrual will be decreased by the same proportion that the net

fund outflow bears to the net asset value on that Business Day.

If at the end of a Performance Fee Period the aggregate of the daily performance fees for the Performance Fee Period (that is, the total accrued performance fee) is positive, the performance fee will be payable to the Responsible Entity. Otherwise, if the aggregate of the daily performance fees for the Performance Fee Period is negative, no performance fee will be payable to the Responsible Entity and the negative performance fee will be carried over into the next Performance Fee Period and subtracted from the daily performance fee on the first Business Day in the next Performance Fee Period. Schroders does not have to reimburse the Fund for negative performance fees.

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 addition, as the rate of the daily performance fee prior to the date of this PDS was lower than the current rate, the actual performance fee incurred in the past is not an accurate reflection of the performance fee that may be incurred in future. Accordingly, Schroders has estimated the Fund's performance fee by applying the current performance fee rate to the actual performance of the Fund for all of the financial years in which the Fund was in operation. Past performance is not a reliable indicator of future performance. The actual performance fee payable (if any) will depend on the performance of the Fund over the relevant Performance Fee Period.

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 how a performance fee¹ may be accrued and payable in respect of the Fund.

Daily performance fee accrual example calculated over 4 days	
Daily performance ^{2,3}	Accrual based on balance of \$500,000
Day 1 The Fund underperforms the Performance Hurdle (after fees but before the performance fee) for the day by 0.1%.	A negative daily performance fee is accrued ⁴ for the day of: $18\% \times -0.1\% \times \$500,000 = -\$90.00$
Day 2 The Fund outperforms the Performance Hurdle (after fees but before the performance fee) 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:

	$18\% \times 0.05\% \times \$500,000 = \$45.00$ The aggregate daily performance fee is $-\$90.00 + \$45.00 = -\$45.00$
Day 3	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: $18\% \times 0.1\% \times \$500,000 = \$90.00$ The aggregate daily performance fee is $-\$45.00 + \$90.00 = \$45.00$
Day 4	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: $18\% \times 0.05\% \times \$500,000 = \$45.00$ The aggregate daily performance fee is $\$45.00 + \$45.00 = \$90.00$

Payments at the end of the Performance Fee Period

Aggregate daily performance fee on the last day of the Performance Fee Period

Outcome

The aggregate daily performance fee on the last day of the Performance Fee Period is a positive amount.	The positive amount is payable to the Responsible Entity as a performance fee for the Performance Fee Period.
The aggregate daily performance fee on the last day of the Performance Fee Period is a negative amount.	No performance fee will be payable to the Responsible Entity for the Performance Fee Period. The aggregate daily performance fee will be carried over to the next Performance Fee Period and will reduce the daily performance fee for the first day of the next Performance Fee 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 PDS. This example also does not take into account the impact of performance fee accrual on the Fund's NAV. In practice, where a daily performance fee is accrued, that accrual is reflected in the unit price (by reducing the unit price by the amount of the accrual) immediately after the accrual.

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.

Transaction costs

Transaction costs are the costs incurred when assets are bought or 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 the Fund and certain costs in relation to derivative financial products.

Transaction costs are reflected in the Fund's unit price. As these costs are factored into the value of the 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 Fund.

The Fund may charge a buy-sell spread on the application or redemption amount (please refer to the section "Buy/sell spread" below). The estimated transaction costs disclosed in the fees and costs summary in this PDS are shown net of any amount expected to be recovered by the buy-sell spread charged by Schroders, and reflects 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 this PDS. The total transaction costs incurred by the Fund for the last financial year were 0.45% p.a. of the NAV of the Fund. The buy/sell spread recovery for the last financial year was 0.45% p.a. of the NAV of the Fund. As such, the net transaction costs of the Fund (representing the total transaction costs minus the amount recovered through the buy/sell spread) incurred for the last financial year were 0% p.a. of the NAV of the Fund. The dollar value of

these costs over a 1 year period based on an average account balance of \$500,000 is \$0.

The 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 an investor'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 the 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 the 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 the Fund.

An estimate of the buy/sell spread applicable to applications and redemptions from the Fund is set out in the fees and costs summary in this PDS. 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 \$500,000 into the Fund, based on a buy spread of 0.35% on application, you would pay \$1,750 ($\$500,000 \times 0.35\%$). 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 the 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 the 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 via an 'in-specie transfer' (rather than cash) on an application or receives assets (rather than cash) on a withdrawal.

Reinvested distributions do not incur the buy/sell spread.

Borrowing costs

Borrowing costs are costs associated with borrowing money or securities such as interest, government charges and securities borrowing fees. The Fund may borrow cash from the prime broker, for which it will incur borrowing costs in the form of interest, and may also incur borrowing costs when engaging in short selling. These borrowing costs are paid to the prime broker out of the assets of the Fund as and when incurred and are reflected in the Fund's unit price, and as such are an additional cost to you. Schroders estimates that the borrowing costs to be incurred by the Fund for the current financial year will be 0.12% p.a. of the NAV of the Fund.

The dollar value of these costs over a 1 year period based on an average account balance of \$500,000 is \$600. However, the Fund's actual borrowing costs and the costs for future years may differ depending on the amount of leverage taken by the Fund, the size of the short positions taken by the Fund, the prevailing rate of interest, and the borrowing rates charged by the prime broker.

Differential fees

Schroders may charge, rebate or waive all or part of the management fee to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. Schroders can be contacted at the address specified in the 'Contacting Schroders' section of this PDS for further details.

In-specie transfers

On investing in the Fund, any costs associated with an 'in specie' transfer will be paid by the investor.

Where a withdrawal is satisfied by an 'in specie' transfer, the investor will bear all costs, including any applicable stamp duty, payable as a result of the transfer.

Schroders reserves the right to accept 'in specie' transfers for applications in its absolute discretion or in satisfaction of withdrawals if agreed to by Schroders and a unitholder.

Financial advisers

Additional fees may be paid 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 of the fees in this PDS (including increase fees up to the maximum set out in the Constitution) without your consent on 30 days' advance notice to you. In accordance with the Constitution and subject to law, Schroders may vary the amount of 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.

However, Schroders cannot charge more than the maximum fees permitted under the Constitution as set out below (otherwise we would need unitholders' approval to increase the fee maximums in the Constitution).

Maximum fees

Management fee

The maximum management fee for the Fund under the Constitution is 5.13% (inclusive of GST and less any RITCs) per annum. The current management fee for the Fund is 0.62% p.a. of the NAV of the Fund.

All management fees are calculated on the NAV of the Fund (inclusive of GST and less any RITC entitlement) except where indicated otherwise.

Performance fee

The maximum performance fee for the Fund under the Constitution is 30% of the Fund's performance above the Performance Hurdle. The current performance fee for the Fund is 18% of the Fund's daily performance (after fees but before the performance fee for that day) above the Performance Hurdle.

The performance fee is calculated on the NAV of the Fund (inclusive of GST and less any RITC entitlement) except where indicated otherwise.

Establishment fee

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

Withdrawal fee

The 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. This fee is not subject to GST. No withdrawal fee is currently charged.

GST

All fees and costs outlined in this PDS are inclusive of GST less any RITC entitlement where applicable.

9. How to invest in the 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.

Initial investment

The minimum initial investment is \$500,000. 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. 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 form and associated client identification documents have been received, and Schroders is satisfied that the issue of units to the applicant is not contrary to 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. 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) or by giving a duly authorised written notification in a form acceptable to Schroders. For certain investor types, additional applications can also be submitted online.

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

Cut-off times

The cut-off time for Schroders is normally 1pm Sydney time on a Dealing Day.

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.

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.

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
- Schroders may take such steps as it considers necessary or desirable to unwind the Investment
- The investor will be liable to Schroders on behalf of the Fund for all losses, costs, charges and expenses arising from, or incurred by the Fund, as a result of:
 - i. Schroders making and unwinding the Investment
 - 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, the payment options will depend on the requirements of the relevant administration platform.

For applications lodged directly with Schroders, there are three options for payment set out below. 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. Any other payment method for such large applications may delay processing of the application.

Please note that the beneficiary lodgement code **ELS** 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. 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 1pm Sydney time on a Dealing Day.

2. Direct deposit

Deposit application money directly into the following account:

Name of bank:	JPMorgan Chase Bank N.A.
Branch:	Sydney Australia
Bank account name:	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.

3. 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.

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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
- Ability to invest the application monies in an orderly fashion
- 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 the 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 Fund.

If you are investing in the 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 the 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 the 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 connection with their investment during the 14-day period. The cooling-off period does

not apply in certain circumstances, such as where investments are made by wholesale clients.

10. How to withdraw from the Fund

Unitholders may request to withdraw some or all of their investment in the Fund by completing a withdrawal form that can be downloaded from www.schroders.com.au or by giving a duly authorised written notification in a form acceptable to Schroders. For certain investor types, withdrawal requests can also be submitted online.

The minimum withdrawal amount is \$50,000, unless the withdrawal relates to all the units held by that unitholder. Withdrawals are subject to cut-off times. 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.

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. However, subject to any staggering or suspension rights set out in the Fund's Constitution, whilst the Fund is 'liquid' for the purposes of the Corporations Act, Schroders has up to 21 days after the date on which the withdrawal request has been accepted in which to pay the withdrawal amount. The Fund is liquid if 80% of the value of the Fund's assets comprise of liquid assets. If the Fund is not liquid, units may only be withdrawn pursuant to a withdrawal offer made to all investors in accordance with the Constitution and Part 5C.6 of the Corporations Act. Schroders is not obliged to make such offers. As at the date of this PDS, Schroders expects that the Fund will be liquid.

Withdrawal requests will generally be met from cash resources or by the disposal of investments in the 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 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.

Cut-off times

The cut-off time for Schroders is normally 1pm Sydney time on a Dealing Day. Please note that the cut-off times for other administration platforms 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 be treated as being received on the following Dealing Day, unless otherwise determined by Schroders at its discretion.

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.

Suspended or staggered withdrawals

It should be noted that, in accordance with the Constitution, the Corporations Act, or other AML/CTF Law obligations, Schroders may suspend (for up to 90 days) withdrawal of units in a number of circumstances including where:

- It is impractical to calculate the current NAV
- The withdrawal would cause the Responsible Entity to breach any law, regulation or obligation
- There would be insufficient cash retained in the Fund after complying with the withdrawal
- Sufficient assets cannot be realised at an appropriate price, on adequate terms or otherwise due to circumstances beyond the Responsible Entity's control
- The Responsible Entity estimates that it must sell 5% or more of the assets of the Fund to meet with withdrawal request
- The Responsible Entity is unable to redeem units due to circumstances beyond its reasonable control
- It is not in the best interests of unitholders to withdraw units; or
- As otherwise permitted by law

Where Schroders receives withdrawal requests in relation to more than 10% of units in the Fund and Schroders believes it is in the best interests of unitholders, Schroders may stagger withdrawals from the Fund by reducing each redemption request on a pro-rata basis so that only up to 10% in total of the Units are redeemed at any one time. Any portion of the withdrawal request not satisfied shall be deemed to be the subject of a further withdrawal request which Schroders may again scale down to up to 10% of the total Units for redemption as at the next withdrawal date. This means that the withdrawal may be processed progressively over a prolonged period, depending on the total number of Units being requested to be redeemed on each withdrawal date.

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 Constitution, or in breach of law or requirements of any country or government or regulatory authority. Schroders may also exercise this right to prevent adverse consequences for the 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 the Fund incurs a liability in respect of a specific unitholder (for example, where the attribution of income results in a withholding tax liability for the 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.

Non-dealing days

Schroders may take into consideration the impact that market closures will have on the Fund's ability to access investment markets, and may elect to designate such market closures as non-dealing days for the Fund. 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 on Schroders' website at www.schroders.com.au and is regularly updated.

11. Distributions

Distributions are normally determined half yearly (in December and June), but may occur more frequently at the discretion of the Responsible Entity. 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

12. 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 the 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 an Australian tax resident unitholder holding their units on capital account.

Non-resident investors should seek their own advice on the taxation law implications of their investment in the relevant jurisdictions.

General taxation

Where the Fund is an AMIT

Under the new 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 assessed that the Fund qualifies as an AMIT and intends to make an election to apply the AMIT Rules to the Fund from 1 July 2020.

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 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.

GST

References to GST in this PDS are to GST payable in Australia.

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

GST may apply to fees and expenses charged to the Fund, and those fees and expenses plus any applicable GST may be recoverable from the assets of the Fund. However, depending on the nature of the fees and expenses, the 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 this PDS inclusive of GST net of RITC have been calculated on a reasonable estimate of the RITC that the 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 the 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%).

13. Keeping you informed

Schroders is subject to regular reporting and disclosure obligations in its capacity as responsible entity of the Fund.

Direct unitholders may receive the following reports:

- Confirmations for their initial investment and all subsequent transactions
- Periodic transaction statements
- Distribution summary
- Annual tax statements, including AMMA 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
- 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 an indirect investor accessing the Fund through an intermediate investment such as an IDPS (e.g., an investment platform service) then reports on your investment will come from the operator of that service, not from Schroders.

Potential investors may obtain copies of audited financial statements and/or details of the underlying investments or current unit prices for the Fund by contacting Schroders (see 'Contacting Schroders' in section 19 of this PDS).

Under the Constitution of the Fund, Schroders or its nominee has certain discretions in calculating unit prices. A documented unit pricing 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 (see 'Contacting Schroders' in section 19 of this PDS).

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 the Fund
- View your account summary, including the Fund(s) you are invested in, the number of units, unit price and current balance of the Fund(s)
- Review your recent transaction history. Note that transactions cannot be made online

Investors who wish to access their unit holding information online should register for this service online 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.

Up-to-date 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, www.schroders.com.au. A paper or electronic copy of the updated information will be available free of charge upon request by contacting Schroders (see 'Contacting Schroders' in section 19 of this PDS). Where a change is considered materially adverse, we will issue a supplementary PDS or a replacement PDS.

Continuous disclosure

Where the Fund is 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 the 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:

- The Fund's annual financial report most recently lodged with ASIC
- Any half yearly report lodged with ASIC after the lodgement of the annual report and before the date of this PDS
- Any continuous disclosure notices given by the Fund after lodgement of the annual or half yearly report and before the date of this PDS

14. Our legal relationship with investors

The Corporations Act, general law and the Constitution set out the rights and interests of the unitholders in the Fund as investors and also set out the rights, duties and obligations of Schroders as the responsible entity of the Fund.

Compliance plan

In accordance with the Corporations Act, a compliance plan has been prepared for the Fund and lodged with ASIC. The compliance plan, among other things, sets out the measures that Schroders will apply to ensure that the Fund is operated in accordance with the Constitution and the Corporations Act. The 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 the Fund's compliance plan.

Constitution

The Fund is governed by its Constitution. The main provisions of the Constitution are summarised below. The Constitution is legally binding between Schroders and each unitholder.

To the extent of any inconsistency between this PDS and the Constitution, the provisions of the Constitution will prevail. Subject to the Corporations Act, Schroders, as the responsible entity, may amend the Constitution. We will provide a copy of the Constitution on request at no charge. To request a copy please contact us using the details specified in the 'Contacting Schroders' section of this PDS.

Rights and liabilities of unitholders

Each unit carries with it an equal beneficial interest in the 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 the Fund. Under the Constitution and the Corporations Act unitholders may:

- Transfer units in the Fund
- Requisition, attend and vote at meetings of the Fund
- Share in the income and capital distributions of the Fund
- Participate in the winding up of the Fund

Generally, the Constitution limits a unitholder's liability to Schroders as the responsible entity to the value of that unitholder's investment in the 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

To the extent permitted by law, 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 relating to the Fund.

Retirement and removal of Schroders as the responsible entity

Schroders may be removed as responsible entity of the Fund in the circumstances set out in the 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 must call a meeting of unitholders who may choose a replacement by extraordinary resolution.

Termination of the Fund

Schroders may terminate the 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 the Fund is terminated, Schroders must sell all the assets of the Fund and distribute the net proceeds to unitholders in proportion to the number of units held.

15. Dealing with complaints

Schroders has procedures in place for dealing with complaints. Unitholders with enquiries should contact Schroders. You can make a complaint by contacting us by email, phone, through our website, or by writing to us at:

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 1 Business Day from receipt, and address your complaint within 30 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 this PDS for further details on how you may complain.

16. Terms and conditions

Conditions and acknowledgements

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

1. Facsimile and email terms and conditions

By sending a facsimile or email instruction, the investor accepts the following terms and conditions:

- The investor authorises Schroders and any of its authorised agents to act upon instructions given by facsimile or email 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 via facsimile or email. 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 by the investor of these methods of instruction
- Schroders will only act on a properly completed communication that has been received by Schroders. A facsimile transmission certificate from the investor's facsimile machine is not evidence that the investor's facsimile was received by Schroders. Similarly, 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
- Schroders may cancel this arrangement or vary these conditions without notice
- Instructions to change payment details or signatories received by facsimile or email by Schroders will not be accepted without prior agreement by Schroders
- The investor bears the risk of delays in processing instructions if a facsimile is not sent to the applications/withdrawals facsimile number or an email to the wrong email address

2. Signatories' terms and conditions

- If the investor has granted a 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 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
- Each individual investor confirms that they are 18 years of age or over.
- 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 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. Please note that physical signatures may still be required for certain documents.
- By applying for Units each investor:
 - Agrees to be bound by the provisions of this PDS 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 which they have read.
 - Acknowledges that neither Schroders nor any other person guarantees the return of capital, or the performance of the 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 (if applicable).

- Authorises Schroders to collect, hold, use and disclose personal information about the investor in accordance with Schroders' Privacy Statement and the privacy statement in this PDS, 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 the Fund to the investor's adviser/consultant/broker or the 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 the 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 on 14 days' notice

4. AML/CTF acknowledgement

By applying to invest in the Fund you warrant that:

- You comply and will continue to comply with applicable anti-money laundering (**AML**) and counter-terrorism financing (**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:
 - i. The monies used to fund your investment in the 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
 - ii. The proceeds of your investment in the 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
- 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 PDS or alter the arrangements in respect of the Fund, where Schroders is required to do so due to changes in AML/CTF law.

By applying to invest in the 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 the 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') acknowledgment

Certain 'foreign financial institutions' (**'FFIs'**) are required to comply with FATCA. In order to avoid withholding tax of 30% on payments of US income or gross proceeds of the sale of certain US investments the Fund 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 Fund may request certain information from investors to comply with its obligations under FATCA.

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

The investor acknowledges that where Schroders becomes aware at any time that units in the 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 ATO. The ATO may exchange financial account information with participating foreign jurisdictions.

You agree to provide all the necessary information and certification required by Schroders to meet our obligations under CRS.

7. US Persons

Neither Schroders nor the units in the Fund 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 will generally cause the compulsory withdrawal of any units held by a US Person, if to do otherwise may cause adverse consequences for the Fund, including requirements to

register under or otherwise comply with US laws and regulations.

By making an application for units in the 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 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).

8. Privacy

Schroders must comply with the Privacy Act and the Australian Privacy Principles (**APPs**). The 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, the AML/CTF Act and the DDO Regime require Schroders to collect some personal information about you. In accordance with Schroders' Privacy Policy, 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 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 broker/adviser/consultant/dealer group's behalf such as external service suppliers who supply administrative, financial or other services to assist Schroders and/or the broker/adviser/consultant/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 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.

17. 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

1. 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
2. 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
3. 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
4. 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
5. 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
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products
7. 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

1. 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
2. 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

Dispute resolution process

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

18. Glossary

ADI	means Authorised Deposit-taking Institution (as that term is defined in the Banking Act 1959 (Cth)).
AML/CTF Law	means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth) and relevant rules and regulations as amended from time to time.
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.
ASX	means, as the context requires, ASX Limited ABN 98 008 624 691 or the financial market that it operates.
ATO	means the Australian Taxation Office.
AUD	means Australian dollars.
Business Day	means any day excluding a Saturday or Sunday on which banks are open for business in Sydney.
Constitution	means the constitution of the Fund, as amended or replaced from time to time.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended from time to time.
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 12.
ESG	refers to environmental, social and governance factors.
EY	means Ernst & Young, the auditor of the Fund's compliance plan.
Fund	means the Schroder Australian Equity Long Short Fund, which is a registered managed investment scheme under the Corporations Act.
GST	means any goods and services tax, consumption tax, value-added tax or similar impost or duty that is or may be levied or becomes payable in connection with the supply of goods or services.
JPMorgan	JPMorgan Chase Bank N.A. (Sydney Branch), the Fund's administrator.
Link Market Services	Link Market Services Limited, the registrar.
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.
NZD	means New Zealand Dollars.
OTC derivatives	means over-the-counter derivatives.
PDS	means this Product Disclosure Statement dated 10 May 2022.
PwC	means PricewaterhouseCoopers, the auditor of the Fund.
Performance Hurdle	means the return of the S&P/ASX 200 Accumulation Index.
Privacy Act	means the <i>Privacy Act 1988</i> (Cth) as amended from time to time.
Responsible Entity or Schroders	means Schroder Investment Management Australia Limited as responsible entity of the Fund.
RG 240	means ASIC Regulatory Guide 240: <i>Hedge Funds: Improving disclosure</i>
RITC	means a 'reduced input tax credit' as defined in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) as amended from time to time.

Schroders Group	means Schroders plc and its subsidiaries.
TMD or Target Market Termination	means the target market determination prepared for the Fund in accordance with the DDO Regime. A copy of the current TMD for the Fund is available on the Schroders website www.schroders.com.au .
UBS AG	UBS AG, Australia branch, the prime broker for the Fund.
UBS Nominees	UBS Nominees Pty Ltd, the custodian for the Fund.
Unit	means a unit in the Fund.

19. 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/o 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