

Schroder Absolute Return Income Fund Wholesale Class

Schroder Absolute Return Income Fund

is designed to deliver a stable income stream in all market environments with a focus on controlling downside risk.



Aims to deliver predictable and regular monthly income to investors with no lock up of capital



Greater focus on reducing losses with a risk objective of avoiding negative returns over rolling 12 month periods



Flexible and diversified solution with the capability to invest across the fixed income universe, unconstrained by a benchmark



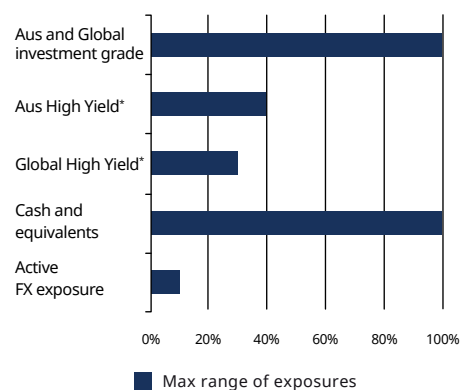
Proven investment approach that aims to ensure we are in the right assets at the right time, with a focus on risk management



Stable and experienced local team with a long track record in absolute return investing, with access to Schroders' global investment resources

An actively managed diversified fixed income solution with low sensitivity to interest rates.

Investment guidelines



*Max aggregate high yield exposure 0-50%

Investment team

- The Australian team is a well resourced and highly experienced team of 13
- Part of Schroders' extensive global network of investment professionals based across key regions and asset classes
- Manage over \$5.5bn** in fixed income strategies
- Award-winning, with numerous industry awards recognising their strong capabilities in fixed income investing

About Schroders



Over \$780bn* managed globally and \$41bn** managed locally across a number of asset classes



Extensive global network of investment professionals



Over 200 years' experience of investment markets and more than 50 operating in Australia

Source: * Schroders as at 31 March 2018; ** as at 30 June 2018

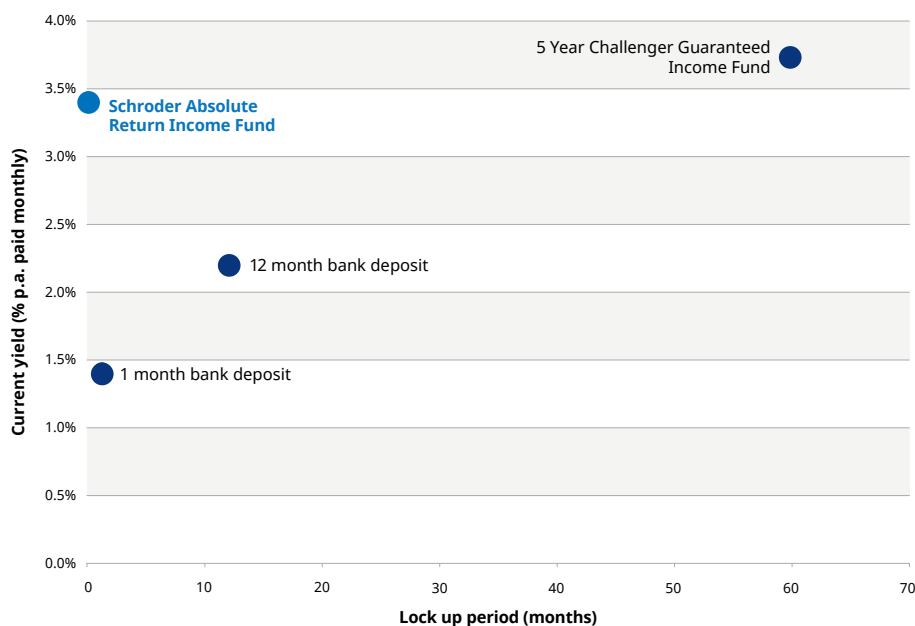
Suitable for a broad range of investors

The Fund offers attractive income with a focus on protecting capital

- Investors seeking regular and predictable income
- Investors seeking a defensive investment that offers protection from rising rates
- Investors thinking about retirement or who have an SMSF and want a lower risk income solution
- Investors seeking a cost effective defensive fixed income solution with minimised correlation to the share market.

Why invest?

Current distribution yield vs lockup period*



* Source: Schroders, RBA as at 30 June 2018. Past performance is not an indicator of future performance.

Fund features

The Fund targets an investment return of 2.5% p.a. (before fees) above the RBA Cash Rate over rolling 3-year periods. It also aims to deliver no negative returns over rolling 12 month periods.

APIR code
SCH0103AU

Management costs
0.54% p.a.

Buy/sell spread
0.20%/0.20%

Distribution frequency
Normally monthly

Min. suggested time frame
3 years

Min. initial investment
\$20,000

Investment opportunity
The Fund utilises the broadest available investment universe, including domestic and global investment and sub-investment grade securities, Australian hybrids and subordinated securities, mortgage-backed assets, developing market debt, cash and government bonds. Fixed income derivatives and currencies may also be used.

Investment process
Absolute return focus with objective based asset allocation, alpha generation, active security selection and risk management.

Inception date
24 June 2002

What are the risks?

It is important to understand the risks associated with investing in the Schroder Absolute Return Income Fund, including the inability of the fund to meet its investment objective.

Investment risks will be influenced by factors such as domestic and international markets, economic conditions, political climates, interest rates and inflation.

For further details about the risks of investing in this strategy please refer to the Product Disclosure Statement.

- **Predictable, attractive income** that will rise with rates with no lock up of capital, unlike term deposits (above)
- **Low duration** to protect capital from the impact of rising rates
- **All-in-one** actively managed fixed income solution, to let you focus on picking stocks
- **Actively managed solution** at a competitive fee.

Call Client Services on 1300 136 471

Email info.au@schroders.com

Visit www.schroders.com.au

Disclaimer: Investment in the Schroder Absolute Return Income Fund – Wholesale Class may be made on an application form in the current Product Disclosure Statement (PDS) which is available from Schroder Investment Management Australia Limited (ABN 22 000 443 274, AFS Licence 226473) website www.schroders.com.au. The information contained in this flyer is general information only. It does not contain and should not be taken as containing any financial product advice or financial product recommendations. Before acting on the information contained in this flyer you should obtain a copy of the PDS and consider the appropriateness of the information in regard to your objective, financial situation and needs

before making any decision about whether to invest, or continue to hold. The repayment of capital and performance in the Fund is not guaranteed by Schroders or any company in the Schroders Group. Opinions constitute our judgement at the time of issue and are subject to change. Past performance is not an indicator of future performance. Investment guidelines represented are internal only and are subject to change without notice. For security reasons, telephone calls may be taped. RC61359.