

Schroders
Schroder Unit Trusts Limited

Prospectus (Intermediary)

Schroder Unit Trusts Limited
31 Gresham Street,
London EC2V 7QA

Authorised and regulated by the
Financial Services Authority.

2 July 2012



Schroders

This Prospectus relates to the following funds:

Fund	Date authorised
Schroder Absolute Return Bond Fund	09/10/92
Schroder Asian Income Fund	08/01/90
Schroder Asian Income Maximiser	21/05/10
Schroder Corporate Bond Fund	10/12/98
Schroder European Alpha Plus Fund	04/07/03
Schroder European Smaller Companies Fund	05/05/89
Schroder Gilt and Fixed Interest Fund	12/05/89
Schroder Global Alpha Plus Fund	30/03/10
Schroder Global Climate Change Fund	02/07/07
Schroder Global Emerging Markets Fund	26/08/93
Schroder Global Equity Income Fund	23/02/07
Schroder Global Property Income Maximiser	21/12/10
Schroder Global Property Securities Fund	16/09/05
Schroder Income Fund	29/04/88
Schroder Income Maximiser	01/09/05
Schroder Japan Alpha Plus Fund	27/11/00
Schroder Managed Wealth Portfolio	06/08/90
Schroder Medical Discovery Fund	08/05/00
Schroder Monthly High Income Fund	17/01/00
Schroder Recovery Fund	29/04/88
Schroder Secure-Distribution 2032 Fund	16/09/11
Schroder Small Cap Discovery Fund	23/01/12
Schroder Strategic Bond Fund	15/02/12
Schroder Tokyo Fund	02/02/89
Schroder UK Alpha Plus Fund	06/06/02
Schroder UK Core Fund	25/02/11
Schroder UK Equity Fund	29/04/88
Schroder UK Mid 250 Fund	30/09/99
Schroder UK Smaller Companies Fund	29/04/88
Schroder US Alpha Plus Fund	04/11/11
Schroder US Mid Cap Fund	11/05/01
Schroder US Smaller Companies Fund	23/11/01

All funds have been authorised by the FSA.

This prospectus has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook ("COLL") which forms part of the FSA Handbook of Rules and Guidance ("the Regulations") and complies with the requirements of COLL 4.2 of COLL.

Valid as at (and dated): 2 July 2012



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Definitions

Accumulation Unit	a Unit which accumulates the income arising in respect of that Unit so that it is reflected in the value of that Unit
Base Currency	the currency in which the Units, the accounts and the Unitholder's statement will be expressed (in each case GBP(£))
Business Day	a week day on which banks and the London stock exchanges are normally open for business in the UK. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday somewhere else or other reason which impedes the calculation of the fair market value of the Fund or a significant position thereof, the Manager may decide that any business day shall not be construed as such.
COLL	the Collective Investment Schemes Sourcebook, issued by the FSA, which provides a regime of product regulation for authorised funds and sets appropriate standards of protection for investors by specifying a number of product features of authorised funds and how they are to be operated.
Dealing Day	a Business Day which does not fall within a period of suspension of calculation of the net asset value per Unit of the relevant class or of the net asset value of the relevant Fund (unless stated otherwise in this Prospectus) and such other day as the Manager may, with the consent of the Trustee, decide from time to time
FSA	Financial Services Authority
Funds	all the Schroders' authorised unit trust funds listed in this Prospectus or, where the singular is used, any one of those funds
GBP(£)	pounds sterling, or any currency which may be the lawful currency of the UK from time to time. Any change from Sterling to any other currency will take place by operation of law and in such circumstances will not require Unitholder consent
Income Unit	a Unit which distributes its income
Investment Adviser	discretionary fund manager to one or more of the Funds
Manager	Schroder Unit Trusts Limited
Regulations	the rules as set forth by the FSA in the FSA's Handbook of Rules and Guidance
Trust Deed	the document constituting a Fund
UCITS	an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS
Unit	a unit in a Fund (or a fraction)
Unitholder	a holder of a Unit in a Fund
UK	United Kingdom
USA or US	the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction

Management

Manager

The Manager of the Funds is Schroder Unit Trusts Limited ('the Manager'), a company incorporated on 2nd April 2001 in England and Wales and authorised by the FSA with effect from December 2001. The Funds have an unlimited duration.

Registered Office:

31 Gresham Street, London EC2V 7QA

Share Capital:

Issued £9,000,001

Paid up £9,000,001

Directors:

R. A. Mountford (Chairman)

C. Brock

J. M. Cardew

M. W. R. Dobson

N. J. Fessey

C. E. Helmstetter

J. W. Stewart

R. E. Stoakley

M. Tosato

P. C. Wallace

None of the above is engaged in any significant business activity which is not connected with the business of the Manager or any of its Associates.

Ultimate Holding Company:

Schroders plc incorporated in England and Wales

Investment Management

The Manager has delegated investment management of the Funds to the Investment Adviser set out below in relation to each Fund as set out in Appendix III:

Schroder Investment Management Limited

Schroder Investment Management (Japan) Limited

Schroder Investment Management (Singapore) Limited

Schroder Investment Management (Hong Kong) Limited

Schroder Investment Management North America Inc

European Investors Inc

The Manager and the Investment Advisers are subsidiary companies of Schroders plc except for European

Investors Inc.

Schroder Investment Management Limited

Schroder Investment Management Limited is a company incorporated in England and Wales, whose registered office and principal place of business is at 31 Gresham Street, London, EC2V 7QA. Schroder Investment Management Limited is authorised by the FSA.

Schroder Investment Management (Japan) Limited

Schroder Investment Management (Japan) Limited is a company incorporated in Japan, whose registered office and principal place of business is 21st Floor Marunouchi, Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan. Schroder Investment Management (Japan) Limited is regulated by the FSA in Japan.

Schroder Investment Management (Singapore) Limited

Schroder Investment Management (Singapore) Ltd is a company incorporated in Singapore whose registered office and principal place of business is 46-00 OCBC Centre, 65 Chulia Street, Singapore 049513. Schroder Investment Management (Singapore) Ltd is authorised to carry on investment business by the Monetary Authority of Singapore.

Schroder Investment Management (Hong Kong) Limited

Schroder Investment Management (Hong Kong) Limited is a company incorporated in Hong Kong whose registered office and principal place of business is Suites 3301, Level 33, Two Pacific Place, Queensway, Hong Kong. Schroder Investment Management (Hong Kong) Limited is authorised to carry on investment business by the Securities and Futures Commission of Hong Kong.

Schroder Investment Management North America Inc

Schroder Investment Management North America Inc. is a company incorporated in Delaware, whose principal place of business is 875 Third Avenue, 22nd Floor, New York, NY 10022-6225, USA. Schroder Investment Management North America Inc. is a registered Investment Adviser with the Securities and Exchange Commission of the United States of America.

European Investors Inc

European Investors Inc. is a company incorporated in Delaware, whose principal place of business is 640 Fifth Avenue, New York, NY 10019, USA. European Investors Inc. is a registered Investment Adviser with the Securities and Exchange Commission of the United States of America.

Terms of Agreement with Manager

The appointment of the Investment Advisers has been made under agreements between the Manager and the Investment Advisers. The Investment Advisers have full discretionary powers over the investment of the property of the Funds subject to the overall responsibility and right of veto of the Manager. The agreements between the Manager and the Investment Advisers are terminable on two months' notice and for the Schroder Global Property Securities Fund on six months' notice by either party thereto or without notice in the event of a material breach for 30 days or more by the other party and in certain insolvency or similar events. The agreements between the Manager and Investment Advisers may also be terminated with immediate effect when this is in the interests of Unitholders.

Sub-Investment Adviser

Schroder Investment Management Limited, in its capacity as Investment Adviser of Schroder Global Property Income Maximiser, has appointed European Investors Inc as its delegated Sub-Investment Adviser.

Terms of Agreement with Sub-Investment Adviser

The appointment of European Investors Inc as Sub-Investment Adviser of Schroder Global Property Income Maximiser has been made under an agreement between Schroder Investment Management Limited, in its capacity as Investment Adviser of the fund, and European Investors Inc. The Sub-Investment Adviser will have discretionary powers over a portfolio of global property securities forming part of the fund. The Investment Adviser retains overall responsibility and right of veto over the Sub-Investment Adviser. The Agreement is terminable on six months' notice by either party thereto or with notice in the event of a continued material breach by the other party to the Agreement or in the event the Sub-Investment Adviser ceases to be regulated by the US Securities and Exchange Commission.

Principal Activities of the Investment Advisers

The principal activities of the Investment Advisers are fund management and investment advice. The Investment Advisers are authorised to deal on behalf of the Funds. The Investment Advisers shall be entitled to receive for its own account by way of remuneration for their services a fee of such amount and payable on such basis as shall be agreed in writing from time to time between the parties.

Administration

Trustee

The trustee for all Funds is JPMorgan Trustee and Depositary Company Limited ("Trustee").

The Trustee is a private company limited by shares and incorporated in England and Wales. It is authorised by the FSA.

Registered Office:

125 London Wall, London EC2Y 5AJ

Head Office:

Chaseside, Bournemouth BH7 7DA

Ultimate Holding Company:

JPMorgan Chase & Company incorporated in Delaware, USA

Principal office for unit trust business:

Chaseside, Bournemouth BH7 7DA

Principal Business Activity:

To act as trustee and depositary of collective investment schemes

Delegation of Services

Fund Accounting:

The Manager has delegated the functions of fund accounting services and valuation and pricing to J.P. Morgan Europe Limited, 125 London Wall, London EC2Y 5AJ.

Customer Enquiries:

The Manager has delegated the functions of Customer Enquiries, Contract Settlement, Unit Issues and Redemptions, Distribution of Income and Record Keeping to International Financial Data Services, IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS.

Auditor

The auditor of the Funds is PricewaterhouseCoopers LLP whose principal place of business is at 7 More London Riverside, London SE1 2RT.

Register of Unitholders

The Manager has delegated its registrar functions to International Financial Data Services Limited, IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS.

The register of Unitholders can be inspected at the above address during normal business hours.

Custodian

The Trustee has appointed JPMorgan Chase Bank as the Custodian of the property of the Funds ("Custodian").

1. The Funds

1 Structure

The Funds are authorised unit trusts and are constituted pursuant to COLL. Each Fund is a UCITS scheme for the purposes of the categorisations of COLL.

Unitholders hold Units which reflect the value of the assets, held by the trust. Unitholders will in no event be liable for the debt, if any, of the Funds.

The terms of the Funds may, subject to the provisions of and in accordance with COLL, be amended from time to time. In all cases, amendments will be notified to Unitholders. For all amendments that are not significant or fundamental, Unitholders will be informed at or after the date the amendment will take place.

Where amendments are deemed by the Manager to be significant to a Fund, Unitholders will be provided with at least 60 days' prior notice before the amendment.

Where the amendments are deemed by the Manager to be fundamental to the Fund, Unitholders will be required to approve the change by way of an extraordinary resolution at a meeting of Unitholders.

2 Classes of Units

Unitholders are entitled to participate in the property of a Fund and the income from that property in proportion to the number of undivided shares in the Fund represented by the Units held by them. The nature of the right represented by Units is that of a beneficial interest under a trust.

The Trust Deeds permit the issue of a number of different classes and types of Units. At the moment, each class is available as either Income Units and/or Accumulation Units. An Income Unit represents one undivided Unit and an Accumulation Unit represents an undivided Unit with the income arising from that undivided Unit being reflected in the Accumulation Unit value. The classes and types of Units that are currently available are stated in Appendix III.

Each class of Unit described in Appendix III may vary by factors such as whether it accumulates or pays out income or attracts different fees and expenses, and as a result of this monies may be deducted from classes in unequal proportions. In these circumstances the proportionate interests of the classes within a Fund will be adjusted in accordance with the provisions of the Trust Deed of each of the Funds relating to proportion accounts, details of which are set out in paragraph 3 below.

The Trustee may create one or more classes of Units as instructed from time to time by the Manager. The creation of additional Unit classes will not result in any material prejudice to the interests of Unitholders of existing Unit classes.

2.1 Currency Unit Classes

Where a class is denominated in a currency which is not the Base Currency, distributions paid on Units of that class shall, in accordance with the Regulations, be in the currency of that class. Where it is necessary to convert one currency into another, conversions shall be made at a rate of exchange decided by the Manager as being a rate that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

2.2 Net Paying Units

Unless specifically stated, Unit classes will be deemed to be net paying Units, being Units in respect of which income allocated is credited periodically to capital (Accumulation Units) or distributed to Unitholders (Income Units) in accordance with relevant tax law net of any tax deducted or accounted for by the Fund.

2.3 Gross Paying Units

In certain Funds, gross paying Unit classes may be available to be held by or on behalf of certain eligible categories of investors. The income allocated to such Units is distributed (Income Units) or added to capital (Accumulation Units) periodically to Unitholders without deduction of any income tax.

3 Proportion Accounts

If classes of Units in addition to “A”, “L” or “Z” Income Unit and “A”, “L” or “Z” Accumulation Units are in issue in a Fund, the proportionate interests of each class in the assets and income of the Fund shall be ascertained as set out in the Trust Deeds, the relevant provisions being set out as follows:

A notional account will be maintained for each class. Each account will be referred to as a “Proportion Account”.

The word “proportion” in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a Fund at that time. The proportionate interest of a class of Unit in the assets and income of a Fund is its “proportion”.

These will be credited to a Proportion Account:

- the subscription money (excluding any initial charges) for the issue of Units of the relevant class;
- that class’s proportion of the amount by which the net asset value of the Fund exceeds the total subscription money for all Units in the Fund;
- that class’s proportion of the Fund’s income received and receivable; and
- any notional tax benefit.

These will be debited to a Proportion Account:

- the redemption payment for the cancellation of Units of the relevant class;
- the class’s proportion of the amount by which the net asset value of the Fund falls short of the total subscription money for all Units in the Fund;
- all distributions of income (including equalisation if any) made to Unitholders of that class;
- all costs, charges and expenses incurred solely in respect of that class;
- that class’s share of the costs, charges and expenses incurred in respect of that class and one or more other classes in the Fund, but not in respect of the Fund as a whole;
- that class’s share of the costs, charges and expenses incurred in respect of or attributable to the Fund as a whole;
- any stamp duty reserve tax charge; and
- any notional tax liability.

Any tax liability in respect of the Fund and any tax benefit received or receivable in respect of the Fund will be allocated between classes in order to achieve, so far as possible, the same result as not materially to prejudice any class. The allocation will be carried out by the Manager after consultation with the Fund’s auditors.

Where a class is denominated in a currency which is not the Base Currency of the Fund, the balance on the Proportion Account shall be converted into the Base Currency of the Fund in order to ascertain the proportions of all classes. Conversions between currencies shall be at a rate of exchange decided by the Manager as being a rate that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

The Proportion Accounts are notional accounts maintained for the purpose of calculating proportions. They do not represent debts from the Fund to Unitholders or the other way round.

Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once.

When Units are issued thereafter each such Unit shall represent the same proportionate interest in the property of the Fund as each other Unit of the same category and class then in issue in respect of that Fund.

The Fund shall allocate the amount available for income allocation (calculated in accordance with COLL) between the Units in issue relating to the Fund according to the respective proportionate interests in the property of the Fund represented by the Units in issue at the valuation point in question.

2. Dealing in Units

1 Buying and Selling Units

The dealing office of the Manager is open from 9.00 a.m. until 5.30 p.m. each Business Day during which the Manager may receive requests for the buying and selling of Units. The time and price at which a deal takes place depends on the requirements of COLL affecting the pricing of Units.

Instructions accepted by the Manager before the valuation point as specified in Appendix III, will normally be executed at the relevant price per Unit, as defined below under paragraph 2.5, calculated on that Dealing Day (less any applicable redemption charge).

With the consent of the Trustee, the dealing office of the Manager may be open on days other than Business Days. On these other days, restrictions may be added to the opening hours and the types of business accepted.

The Units in the Funds are not listed or dealt in on any investment exchange.

1.1 Buying

Units may be purchased by sending a completed application form to the Manager or by telephoning **0800 718 788** (Dealing). Please note that telephone calls may be recorded. In addition, the Manager may from time to time make arrangements to allow Units to be bought online or through other communication media. At present, transfer of title by electronic communication is not accepted.

A contract note giving details of the Units purchased will be issued no later than the next Business Day after the Dealing Day on which an application to purchase Units is valued by the Manager.

The Manager will not accept an application for Units to the value of less than the minimum subscription amount as defined in Appendix III. If a holding falls below the minimum holding then the Manager reserves the right to redeem the Units on behalf of the Unitholder. The Manager reserves the right to reduce or waive the minimum investment levels.

The Manager reserves the right to reject, on reasonable grounds, any application for Units in whole or in part. The Manager will return any money sent, or the balance, for the purchase of Units, at the risk of the applicant.

Please refer to Appendix III for details of any initial offer periods that apply to a new Fund.

In respect of the Schroder Secure-Distribution 2032 Fund only, the issue of Units is limited so that investors can only subscribe for Units during the Capital Accumulation Phase. The procedure for subscribing for Units during the Capital Accumulation Phase is as described above. Units will not be issued during the Capital Drawdown Phase (as this is when the capital drawdown distributions to Unitholders will commence in accordance with the Fund's investment objective and policy) or earlier in the event that monetisation occurs. For a definition of Capital Accumulation Phase, Capital Drawdown Phase and an explanation of what monetisation means, please refer to Appendix III Fund Details.

1.2 Pricing Basis

The Manager currently deals daily on a forward pricing basis, i.e. at prices calculated by reference to the value of the property of the Fund at the next valuation point.

1.3 Certificates and Title

Certificates are not issued to Unitholders. Title to Units is evidenced by the entry on the register of Unitholders of the relevant Fund(s). Details of the register of Unitholders can be found under “Administration” above.

1.4 Selling

At any time during a Dealing Day when the Manager is willing to sell Units it must also be prepared to buy back Units. The Manager may refuse to buy back a certain number of Units if the redemption will mean the Unitholder is left holding Units with a value of less than the minimum initial subscription.

Requests to sell Units in the Funds may be made by sending clear written instructions to the Manager or by telephoning on **0800 718 788** (Dealing). Please note that telephone calls may be recorded. In addition, the Manager may from time to time make arrangements to allow Units to be sold online or through other communication media. At present, transfer of title by electronic communication is not accepted.

A contract note giving details of the number and price of the Units sold back to the Manager will be sent to Unitholders no later than the next Business Day after the Units were valued. In the event that the Manager requires a signed form of renunciation, e.g. in respect of joint Unitholders, corporate Unitholders or redemptions dealt through an agent, a form of renunciation will be attached. Redemption cheques will be issued within four Business Days of receipt by the Manager of the instruction and, if appropriate, the duly completed documentation.

Investors in the Schroder Secure-Distribution 2032 Fund will receive capital drawdown distributions during the Capital Drawdown Phase in the form of a compulsory redemption of Units. This means that the redemption of Units will be automatic without the need for investors to submit a redemption request. Instead, by subscribing for Units in the Fund, the investor irrevocably permits the Manager to redeem Units on their behalf in accordance with the investment objectives of the Fund. At the end of the Capital Drawdown Phase, the residual assets of the Fund, if any, will be paid out as a final capital payment via the compulsory redemption of all outstanding Units. Please note that this mechanism for compulsory redemption of Units does not affect a Unitholder's right to redeem some or all of his Units on any Dealing Day. For a definition of the Capital Drawdown Phase and for details of when the capital drawdown distributions will occur, please refer to Appendix III Fund Details.

1.5 Switching

A Unitholder may switch all or some of his Units within classes of the same Fund or for Units of any class within a different Fund. A switch involves the sale of the original Units and the purchase of new Units on the same Dealing Day. The number of new Units issued will be determined by reference to the respective prices of the old and new Units at the valuation point applicable when the old Units are sold and the new Units are bought.

If the switch results in a Unitholder holding a number of old Units or new Units of a value which is less than the minimum holding of the Fund concerned, the Manager may, at its discretion, convert the whole of the Unitholder's holdings of old Units to new Units or refuse to effect any switch of the old Units. No switch will be made during any period when the right of Unitholders to require the redemption of their Units is suspended. The general provisions on selling Units shall apply equally to a switch.

Requests to switch Units may be made by sending a completed application form to the Manager. In addition, the Manager may from time to time make arrangements to allow Units to be switched online or through other communication media. At present, transfer of title by electronic communication is not accepted.

Unitholders subject to UK tax should note that a switch of Units between Funds (but not between classes within a Fund) is treated as a disposal for the purposes of capital gains taxation.

Please see Appendix V paragraph 3 for the pricing policy applicable where a switch is made.

1.6 In-specie Transfers

A Unitholder who requests the subscription or redemption of a number of Units representing in value not less than £1,000,000 may (either at his request or by election of the Manager) receive in respect of such redemption an in-specie transfer out of the property of the Fund in question in accordance with the Regulations. This minimum may be waived at the Manager's discretion, in respect of subscriptions or redemptions. All in-specie transfers will be at the discretion of the Manager and Trustee, and the Manager must have taken reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of Unitholders.

Subscriptions and redemptions in the form of in-specie transfers are not permitted for Schroder Secure-Distribution 2032 Fund.

1.7 Transfers of Units

Unitholders transferring Units to another person or body should complete a stock transfer form in the normal way including any appropriate certificate on the reverse of the form required for exemption from stamp duty. The Manager does not currently accept electronic instructions to transfer Units. Where there is no appropriate certificate, evidence of any exemption from Stamp Duty Reserve Tax ("SDRT") should be submitted with the transfer. In other cases, the Manager has decided that any SDRT triggered will normally be paid by the Fund. In exceptional cases, it may require the Unitholder to pay an SDRT provision of up to a maximum of 0.5% before the transfer is registered.

1.8 Stamp Duty Reserve Tax (SDRT)

The trustee of a unit trust has a liability to pay SDRT to HM Revenue & Customs.

The Regulations allow the cost of SDRT to be met directly from the property of a Fund or to be recovered from Unitholders on the purchase or redemption of Units in a Fund. The Manager's chosen policy on SDRT is to recover the cost of SDRT directly as a charge on the property of a Fund and the Manager considers that this policy will not have a significant effect on performance. However in the cases of redemptions of £100,000 or more in value, the Manager reserves the right to charge SDRT to Unitholders at the time of dealing. The frequency of application of this policy is dependant on the pattern of dealing in the Fund concerned. This will have the effect of reducing the proceeds payable by up to a maximum of 0.5%.

1.8.1 SDRT on Collective Investment Schemes – Net Dealing by Intermediaries

Investors in collective investment schemes often make their investment through an intermediary. Intermediaries may deal with underlying fund managers by sending aggregated sell and aggregated buy instructions separately (known as 'gross dealing'); or, intermediaries may net off buy and sell instructions for each fund and thus send only one net buy or sell instruction to each underlying fund manager (known as 'net dealing').

According to the HMRC, fund managers should only include in their Schedule 19 calculations transactions for which they have received instructions.

HMRC advise that net dealing will generally, depending on the facts of each case, give rise to two principal SDRT charges at 0.5% in respect of the transactions which have been netted off – one on the intermediary and one on the ultimate purchaser of the investment.

2 Pricing of Units

2.1 Valuation Point

The valuation points of the Funds are stated in Appendix III. Funds are valued on Business Days. This is with the exception of Christmas Eve and New Years Eve or the last Business Day prior to those days annually, when the valuation may be carried out at a time agreed in advance between the Manager and the Trustee.

For non Business Days, valuations may be carried out at a time agreed in advance between the Manager and the Trustee.

The Manager may also, if the Trustee agrees, change the valuation point on any day. The Manager may also carry out an additional valuation, if the Manager believes that due to exceptional circumstances there is good and sufficient reason to do so, having regard to the interests of Unitholders or potential Unitholders.

2.2 Valuation of Property

The valuation determines the net asset value of the Funds. Funds are either dual priced or single priced. For dual priced Funds the net asset value is calculated on an offer basis (for the purpose of calculating the creation price of a Unit) or a bid basis (for the purpose of calculating the cancellation price of a Unit).

The price at which the Manager sells Units (the buying price or offer price) may not exceed the creation price of Units plus the Manager's initial charge. The price at which the Manager buys back Units (the selling price or bid price) will not be less than the cancellation price.

Please see Appendix V for a description of how the value of the property of each Fund is determined.

2.3 Publication of Prices

The most recent buying and selling prices will appear daily on the Schroders' website (www.schroders.co.uk). This is our primary method of price publication.

We also currently publish the prices of the A Units in the Financial Times. The prices of other Units are available upon request.

2.4 Equalisation

When an incoming Unitholder purchases a Unit during an accounting period, part of the purchase price will reflect the relevant share of accrued income in the net asset value of the Fund. The first allocation of income in respect of that Unit refunds this amount as a return of capital. The amount of income equalisation is calculated by dividing the aggregate of the amount of income included in the creation price of Units of the type in question issued or re-issued in a grouping period by the number of those Units and applying the resulting average to each of the Units in question.

Grouping periods are consecutive periods within each annual accounting period, being the interim or half yearly accounting periods (including the period from the end of the last interim or half yearly accounting period in an annual accounting period to the end of that annual accounting period) as specified in Appendix III. If there is no distribution of income at the interim or half yearly accounting periods, the periods for grouping of Units will be annual accounting periods. Grouping is permitted by the Trust Deeds for the purposes of equalisation.

2.5 Calculation of Net Asset Value

The value of the property of each Fund shall be determined in accordance with the relevant rules set out in Appendix V.

3 Suspension or Deferrals

3.1 Suspension

The Manager may, if the Trustee agrees, or shall if the Trustee so requires, temporarily suspend the issue, cancellation, sale and redemption of Units if the Manager or Trustee (in the case of any requirement by the Trustee), believes that due to exceptional circumstances there is good and sufficient reason to do so, having regard to the interests of Unitholders or potential Unitholders. During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the Manager will comply with COLL 6.3 (Valuation and Pricing) during the period of suspension to the extent practicable in light of the suspension.

On suspension, the FSA shall be immediately notified as soon as practicable and given written confirmation of the reasons for the suspension. Unitholders will be notified of any suspension as soon as practicable after the suspension commences, including details of the exceptional circumstances which have led to the suspension and giving Unitholders details of how to find further information about the suspension.

The suspension shall only continue for as long as the Manager and Trustee deem it to be justified in the circumstances having regard to the interests of Unitholders. Where such suspension takes place, the Manager will publish details on its website or other general means, sufficient details to keep Unitholders appropriately informed about the suspension, including, if known, its possible duration. The suspension will be reviewed at least every 28 days and the Manager and Trustee shall inform the FSA of the results of such review and inform the FSA of the proposed restart of dealings.

Re-calculation of dealing prices will commence on the Business Day immediately following the end of the suspension, at the relevant valuation point.

3.2 Deferred Redemption

Each Fund permits deferral of redemptions at the valuation point to the next valuation point where the requested redemptions exceed 10% of the Fund's value.

Redemptions not processed at a valuation point will be processed at the next valuation point.

Available Units to be redeemed will be bought back in equal values (up to the amounts requested) across all Unitholders who have sought to redeem Units at any valuation point at which redemptions are deferred. All deals relating to an earlier valuation point will be completed before those relating to a later valuation point are considered.

4 Market Timing Policy, Late Trading Policy and Fair Value Pricing

The Manager does not knowingly allow investments which are associated with market timing activities, as these may adversely affect the interests of all Unitholders.

In general, market timing refers to the investment behaviour of a person or group of persons buying, selling or switching Units on the basis of predetermined market indicators. Market timing may also be characterised by transactions that seem to follow a timing pattern or by frequent or large transactions in Units.

In practice, the underlying property of a Fund which invests in non-European markets or other collective investment schemes is usually valued on the basis of the last available price as at the time when the Net Asset Value of the property in the Fund is calculated. The time difference between the close of the markets in which the Fund invests, and the point of valuation, can be significant. For example, in the case of a US traded security, the last available price may be as much as 14 hours old. Market developments which could affect the value of these securities can

occur between the close of the markets and the point of valuation, will not, therefore, normally be reflected in the Net Asset Value per Unit of the relevant Fund.

Accordingly, the Manager may, whenever it is deemed it to be appropriate and in the interests of Unitholders, implement one, or both of the following measures:

- to reject any application for switching and/or subscription of Units from investors or potential investors whom it considers to be associated with market timing activity. In such circumstances the Manager may combine Units which are under common ownership or control for the purposes of ascertaining whether Unitholders can be deemed to be involved in such activities; and
- where a fund is invested in markets which are closed for business at the time a Fund is valued, allow for the Net Asset Value per Unit to be adjusted to reflect more accurately the fair value of the Fund's underlying property at the point of valuation during periods of market volatility and by derogation from the 'Calculation of Net Asset Value' as outlined in paragraph 2.5.

Late Trading is not permitted. "Late Trading" is defined as the acceptance of a subscription, redemption or switch order received after the Fund's applicable valuation point for that Dealing Day. As such, orders will not be accepted using the price established at the valuation point for that Dealing Day if orders are received after that time. Late Trading will not include a situation in which the Manager is satisfied that orders which are received after the valuation point have been made by investors before then (e.g. where the transmission of an order has been delayed for technical reasons).

Where the Manager believes that a significant event has occurred between the close of the markets in which the Fund invests and the point of valuation, and that such event will materially affect the value of that Fund's underlying property, the Manager may adjust the Net Asset Value per Unit so as to reflect what is believed to be the fair value of the portfolio as at the point of valuation.

The level of any adjustment will be based upon the movement in a chosen surrogate index which the Manager believes to be strongly correlated to and representative of the Fund's investment performance, up until the point of valuation, provided that such movement exceeds the threshold as determined by the Manager for the relevant Fund. The surrogate index will usually be in the form of a futures index, but might also be a basket of securities, which the Manager believes is also strongly correlated to and representative of the performance of the Fund.

Where an adjustment is made as per the foregoing, it will be applied consistently to all class of Units within the same Fund.

The Manager, will extend the measures described above, known as 'fair value pricing' to any of the Funds whenever it deems it appropriate.

3. General Information

1 Charges and Expenses

1.1 Manager's Charges

1.1.1 Initial Charge

The Manager is entitled under the Trust Deeds to an initial charge which is included in the issue price of the Units. The initial charge may be waived at the Manager's discretion. Details of the current initial charge (if any) of each Fund is set out in Appendix III.

1.1.2 Annual Management Charge

The Manager is also entitled under the Trust Deeds to receive an annual management charge ("Annual Management Charge") out of the property of each Fund.

The Annual Management Charge is accrued on the prior day's Net Asset Value of the Fund (or, where classes other than "A" Income Units and "A" Accumulation Units are available, on a class by class basis). For this purpose the value of a Fund is inclusive of the creations and cancellations which take effect as at the relevant valuation point. This charge is accrued daily and payable on, or as soon as is practicable after, the last Business Day in that calendar month. The current rate of the Annual Management Charge for each Fund is set out in Appendix III.

1.1.3 Administration Charge

The Manager makes a charge of up to 0.15% per annum of the Net Asset Value of a Fund for its administration services including registrar services on "A", "L" and "Z" Income Units and "A", "L" and "Z" Accumulation Units.

The Administration Charge is calculated and accrued daily on the Net Asset Value of each Fund (or, where classes other than only "A" Income Units and "A" Accumulation Units are available, on a class by class basis). For this purpose the value of a Fund is inclusive of the creations and cancellations which take effect as at the relevant valuation point. The Administration Charge is payable on, or as soon as is practicable after, the last Business Day in that calendar month. All or part of the administration charge may be waived at the Manager's discretion.

The administration charge is only applicable to "A", "L" and "Z" Units.

1.1.4 Redemption Charge

The Trust Deeds of the Funds contain a provision for the Manager to impose a redemption charge but at present, there are no plans to introduce such a charge.

1.2 Increase in Initial Charge, Annual Management Charge or Administration Charge

Any increase of the Initial Charge, Annual Management Charge or Administration Charge may be made by the Manager, if it is deemed by the Manager to be a significant change rather than a fundamental change, as set out in the provisions of COLL only after:

- a) giving 60 days written notice to the Unitholders (in the case of an increase of the Annual Management Charge and administration charge) or the regular savers (in the case of the initial charge)
- b) the Manager revising the Prospectus to reflect the proposed increase

If such a change is deemed fundamental, it will require the approval of the Unitholders.

1.3 Trustee's Fees and Expenses

The Trustee's remuneration, which is payable out of the assets of the Fund, is a periodic charge at such annual percentage of the value of the property of each Fund as set out below, with the property of each Fund (or, where classes other than only "A" Income Units and "A" Accumulation Units are available, on a class by class basis), being valued and such remuneration accruing and being paid on the same basis as the Annual Management Charge. Currently, the Manager and the Trustee have agreed that the Trustee's remuneration in respect of each Fund shall be calculated on a sliding scale as follows:

On the first GBP 500 million	0.009 per cent
On the next GBP 500 million	0.005 per cent
On balances greater than GBP 1 billion	0.001 per cent

The Trustee is also entitled to receive out of the property of each Fund, remuneration for performing or arranging for the performance of the functions conferred on the Trustee by the Trust Deed or COLL. The Trustee's remuneration under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which payment of the Trustee's periodic charge is to be made or as soon as practicable thereafter. Currently the Trustee does not receive any remuneration or service charges under this paragraph.

The Trustee is permitted to increase its remuneration subject to the agreement of the Trustee and Manager. If the change materially increases the payment out of the Fund, written notice will be given in the same manner as for an increase to the Annual Management Charge.

1.3.1 Trustee's Expenses

In addition to the remuneration referred to above, the Trustee will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it in relation to the Fund, subject to approval by the Manager.

The Trustee is also entitled to be reimbursed out of the property of the Fund in respect of remuneration charged by the Custodian for such services as the Manager, Trustee and the Custodian may from time to time agree, being services delegated to the Custodian by the Trustee in performing or arranging for the performance of the functions conferred on the Trustee by the Trust Deed or COLL. Remuneration charged under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears. Currently the Custodian does not receive any remuneration under this paragraph.

1.4 Custodian's Fees and Expenses

The Custodian is entitled to receive reimbursement of the Custodian's fees as an expense of the Fund. The Custodian's remuneration for acting as Custodian is calculated at an ad valorem rate determined by the territory or country in which the assets of the Fund are held. Currently, the lowest rate is 0.0005% and the highest rate is 0.4%. In addition, the Custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from £2 to £100 per transaction.

The Custodian is permitted to increase its remuneration subject to the agreement of the Trustee and Manager. If the change materially increases the payment out of the Fund, written notice will be given in the same manner as for an increase to the Annual Management Charge.

1.5 Other Expenses

No payments may be made out of the property of the Funds other than payments permitted by COLL and the following (to the extent of the actual amount incurred): -

- a) broker's commission, fiscal charges and other disbursements which are:-
 - (i) necessary to be incurred in effecting transactions for the Fund
 - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate
- b) interest on borrowings permitted under COLL and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings
- c) taxation and duties payable in respect of the property of the Fund, the Trust Deed or the issue of Units and any stamp duty reserve tax charged in accordance with Schedule 19 of the Finance Act 1999
- d) any costs incurred in modifying the Trust Deed including costs incurred in respect of meetings of holders convened for purposes which include the purpose of modifying the Trust Deed where the modification is:-
 - (i) necessary to implement or necessary as a direct consequence of any change in the law (including changes to COLL)
 - (ii) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of holders
 - (iii) to remove from the Trust Deed obsolete provisions
- e) any costs incurred in respect of meetings of holders convened by the Trustee or on a requisition by Unitholders not including the Manager or an associate of the Manager
- f) liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances as set out in COLL
- g) the year end audit fee properly payable to the auditor and any additional audit fees incurred where the Manager reasonably believes that an additional audit is in the best interests of the Fund. In all cases, together with any Value Added Tax thereon plus any proper expenses of the auditor; and
- h) the periodic fees of the FSA under the Financial Services and Markets Act 2000 or the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Units in the Fund are or may be marketed
- i) costs of establishing and maintaining the register and/or plan sub-register
- j) fees payable to the Custodian for the provision of Compliance Reporting Services on the Schroder Asian Income Maximiser, Schroder Global Alpha Plus Fund, Schroder Secure-Distribution 2032 Fund and Schroder UK Core Fund.

Subject to current HM Revenue & Customs regulations, Value Added Tax at the prevailing rate may be payable in connection with the Trustee's remuneration, the Custodian's remuneration and, where appropriate the expenses in a) to j) above.

- k) All charges and expenses incurred in relation to stock lending

At the request of the Manager, the Trustee has engaged Securities Finance Trust Company to undertake stock lending arrangements on behalf of certain Funds as set out in Appendix I, paragraph 12 (Stock lending).

Under the terms of the agreement between the Manager, the Trustee and Securities Finance Trust Company, Securities Finance Trust Company is entitled to receive payment for transaction costs incurred in connection with the stock lending activities and cash management services it will be providing to the Manager for the benefit of the Funds for which it will be performing the stock lending activities.

The payment which is made to Securities Finance Trust Company is calculated as a percentage of the gross income generated from the stock lending activities it undertakes and will not exceed 17.5% of the gross income generated by the stock lending arrangements. The Manager shall also receive around 20% of the gross income generated from stock lending to cover administration services which are carried out and expenses properly incurred in supporting any stock lending activities. A minimum of 62.5% of the gross income generated from the stock lending activities will be applied to the scheme property for the benefit of the Funds and Unitholders.

1.6 Exemption from Liability to Account for Profits

The Manager, Trustee and Custodian are not liable to account to the Unitholders of any Fund for any profits or benefits it makes or receives that are derived from or in connection with:

- a) dealings in the Units of a Fund
- b) any transaction in Fund property
- c) the supply of services to the Fund

The Manager is under no obligation to account to the Trustee or to Unitholders for any profit it makes on buying or selling Units.

2 Reporting, Distributions and Accounting Dates

2.1 Short and Long Reports

The Manager will, within four months after the end of each annual accounting period and two months after the end of each half-yearly accounting period respectively, send the short report to each Unitholder (or to the first named Unitholder) entered on the register.

Full report and accounts for each period will also be available, free of charge, on request (See paragraph 6.8) or online at www.schroders.co.uk.

2.2 Accounting and Income Distribution Dates

The Funds' annual accounting dates, half yearly accounting dates and income allocation dates are listed in Appendix III.

Each holder of Income Units is entitled, on the relevant income allocation date, to the net income attributable to his holding. Net income on Accumulation Units is not distributed but is accumulated, being automatically accumulated after the accounting reference dates to increase the value of each Unit.

Distributions will be paid by crediting a Unitholder's bank or building society account.

Any distribution that remains unclaimed for a period of 6 years after the distribution became due for payment will revert to the Fund.

The Manager reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Fund in respect of that period, and deducting the aggregate of the Manager's and Trustee's remuneration and other payments properly paid or payable out of the income account in respect of that accounting period and adding the Manager's best estimate of any relief from tax on that remuneration and those other payments.

The Manager then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, the proportion of the prices received or paid for Units that is related to income (taking into account any provisions in the Trust Deed) relating to income equalisation, potential income which is unlikely to be reduced until 12 months after the income allocation date, income which should not be accounted for on an accrual basis because of law of information as to how it accrues, transfers between the income and other matters.

3 Taxation

The information below is intended as a general guide based on current UK taxation legislation and HM Revenue & Customs practice which apply to the Funds. It summarises the tax position of the Funds and of investors who are UK resident and hold Units as investments. The basis and rates of taxation may change in the future. Investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice.

3.1 The Funds

As the Funds are authorised by the FSA as unit trust funds, they are exempt from UK tax on capital gains realised on the disposal of investments held by them (including interest-paying securities and derivatives contracts). Certain Funds may invest in offshore funds which, in certain circumstances, may give rise to gains which are categorised as income rather than capital gains for UK tax purposes and so are chargeable to corporation tax.

Dividends from UK and from overseas companies (and any part of dividend distributions from authorised unit trusts and open-ended investment companies which represent those dividends) are generally not subject to corporation tax.

The Funds will each be subject to corporation tax at 20% on other types of income but after deducting allowable management expenses and the gross amount of interest distributions, where relevant. Where a Fund suffers foreign tax on income received, this may in some circumstances be deducted from the UK tax due on that income.

3.2 Unitholders

3.2.1 Income - Equity Funds

Equity Funds will pay any distributable income as dividend distributions (which will be automatically reinvested in the Fund in the case of Accumulation Units). Dividend distributions will be paid with a tax credit. UK resident individuals liable to income tax at the basic rate will have no further liability to tax. Higher rate and additional rate taxpayers will have to pay a further amount of income tax. Non-taxpayers may not reclaim the tax credits on dividend distributions.

Corporate Unitholders who receive dividend distributions may have to divide them into two (in which case the division will be indicated on the tax voucher). Any part representing dividends received from a UK company will be treated as dividend income (that is, franked investment income) and no further tax will be due on it. The remainder will be received as an annual payment after deduction of income tax at the basic rate, and corporate Unitholders may, depending on their circumstances, be liable to tax on the grossed up amount, with the benefit of an income tax credit attached or to reclaim part of the tax credit as shown on the tax voucher.

Non-UK resident Unitholders will generally not be entitled to reclaim any part of the tax credit on a dividend distribution from HM Revenue & Customs although it will normally satisfy their UK tax liability on the income. They may also be able to offset the tax credit against their liability to tax in their own country.

3.2.2 Income – Bond Funds

Schroder Absolute Return Bond Fund, Schroder Corporate Bond Fund, Schroder Gilt and Fixed Interest Fund, Schroder Monthly High Income Fund and Schroder Strategic Bond Fund pay interest distributions (which will be automatically reinvested in the Fund in the case of Accumulation Units). These are made after income tax at 20% has been deducted and paid to HM Revenue & Customs. A tax voucher showing the total interest distribution before the deduction of tax (gross interest), the tax deducted and the amount of the interest distribution after tax has been deducted (net interest) will be supplied to Unitholders.

For UK individual Unitholders, the gross interest will be subject to UK income tax at 10% in the case of starting rate taxpayers, 20% in the case of basic rate taxpayers, 40% in the case of higher rate taxpayers and 50% in the case of additional rate taxpayers. The tax deducted will satisfy in full the tax liability on the interest of Unitholders subject to basic rate income tax. For Unitholders who are starting rate income taxpayers part of the tax deducted will satisfy their liability leaving part to be reclaimed from HM Revenue & Customs. Unitholders who are higher rate or additional rate taxpayers should set the tax deducted against their tax bill and pay HM Revenue & Customs the difference. UK non-taxpayers may reclaim the tax deducted from HM Revenue & Customs. Where Units are held through an ISA, the ISA manager may reclaim the tax (if deducted).

- Unitholders chargeable to UK corporation tax will be liable to tax on the gross interest but will receive credit for the 20% income tax (if deducted).
- Non-UK resident Unitholders may be entitled to a refund from HM Revenue & Customs of the tax deducted from their interest distributions (or a proportion of it) depending on their personal circumstances and whether there is a provision entitling them to repayment in any taxation agreement which exists between their country of residence and the UK.
- The Manager is able to pay or accumulate interest distributions without withholding income tax from the payment to certain types of investor. These include companies, Unitholders who are not ordinarily resident in the UK, pension funds and charities. Any eligible investor wishing to receive interest payments gross should contact the Manager who will provide the appropriate form to be completed and returned to it. The Manager may require a suitable indemnity from the recipient before gross payments or accumulations can be made.

3.2.3 Income equalisation

The first income allocation received by a Unitholder after buying the Units may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the Unitholder as part of the purchase price. It is a return of capital, and it is not taxable. Rather it should be deducted from the acquisition cost of the Units for capital gains tax purposes.

3.2.4 Gains

Unitholders who are resident in the UK for tax purposes may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate Unitholder, corporation tax on gains arising from the redemption, transfer or other disposal of Units.

Part of any increase in value of Accumulation Units represents accumulated income. This may be added to the acquisition cost when calculating the capital gain.

Individual Unitholders will find further information in HM Revenue & Customs' Help Sheets, available at www.hmrc.gov.uk/sa/forms/content.htm or from the Orderline 0845 9000 404 to help them complete their tax returns.

This summary on tax issues relating to Funds is an overview only and investors should consult their own tax adviser for a more detailed analysis of tax issues arising for them from investing in a Fund.

The capital drawdown distributions receivable by Unitholders in the Schroder Secure-Distribution 2032 Fund are expected to be treated as disposals of Units subject solely to capital gains tax (or, for corporate Unitholders,

corporation tax on chargeable gains). However, Unitholders should be aware that tax legislation can change from time to time, sometimes with retrospective effect, and therefore the tax treatment of the Fund, holdings in units and the capital drawdown distributions may not always be as currently described. Unitholders should therefore refer to the tax and regulatory environment risk warning in Appendix II Risks of Investment.

3.2.5 EU Savings Directive: Tax Considerations for individuals resident in the EU or in certain third or dependent or associated territories

On 3 June 2003 the European Union ("EU") adopted Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Directive").

The UK has implemented the Directive. UK paying agents are required to report information on savings income they pay to individuals resident and certain entities established in other member states of the EU, and certain third countries and dependent or associated territories. Paying agents make reports annually to HM Revenue & Customs, who pass the information to the tax authority of the country in which the individual is resident or the entity established.

The Funds qualify as paying agents, and dividends distributed by any of the Funds to individuals or specified entities in relevant countries will be subject to the Directive if more than 15% of that Fund's assets are invested in debt claims (as defined in the Directive). Proceeds realised by Unitholders on the redemption or sale of Units in a Fund will be subject to the Directive if more than 25% of that Fund's assets are invested in debt claims. Accordingly, such payments will be reported to HM Revenue & Customs in accordance with the Directive.

4 Meetings and Unitholder Rights

4.1 Meetings of Unitholders and Voting rights

A meeting of Unitholders duly convened and held may, by extraordinary resolution, require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the Regulations, but shall not have any other powers.

Unitholders will receive at least 14 days' notice of any meeting of Unitholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy.

A quorum at a meeting of Unitholders is two Unitholders present in person or by proxy, or in the case of a body corporate by a duly authorised representative of all the Units in issue. If a quorum is not present within a reasonable time from the start of the meeting, the meeting will be adjourned to a day and time which is at least seven days after the day and time of the meeting at a place to be appointed by the chairman. If at such adjourned meeting a quorum is not present after a reasonable time from the time of the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum. At any meeting of Unitholders, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, shall have one vote unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or by not less than two Unitholders or by the Trustee. On a poll the voting rights for each Unit in issue are the proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price or prices of all the Units in issue seven days before the notice of meeting was sent out. On a poll, votes may be given either personally or by proxy. A Unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

For joint Unitholders, only the vote of the first named in the register of Unitholders can be taken. Except where an extraordinary resolution (requiring a majority of 75% of the total number of votes cast to be passed) is specifically required or permitted, any resolution of Unitholders is passed by a simple majority. In the case of an equality of, or an absence of, votes cast, the chairman is entitled to the casting vote.

In the context of despatch of notice, "Unitholders" mean the persons who were entered in the register of Unitholders as at a certain day before the notice of meeting was sent out but excluding persons who are known not to be entered on the register at the date of despatch of the notice.

In the context of voting, "Unitholders" mean the persons who were entered on the register of Unitholders at a time chosen by the Manager and stated in the relevant notice of the meeting.

The Manager is not entitled to vote at or be counted in a quorum at a meeting of Unitholders in respect of Units held or deemed to be held by the Manager, except where the Manager holds Units on behalf of, or jointly with, a person who, if himself the sole registered Unitholder would be entitled to vote, and from whom the Manager has received voting instructions. Associates of the Manager are entitled to be counted in a quorum and, if they hold Units on behalf of a person who would have been entitled to vote if he had been a registered Unitholder and they have received voting instructions from that person, may vote in respect of such Units pursuant to such instructions.

4.2 Notices to Unitholders

All notices or documents about the Funds will be sent to the address of the first named Unitholder only as appearing on the register or by electronic means. A notice is duly served if it is delivered to the address of the first named Unitholder as appearing in the register or is delivered by electronic means in accordance with COLL.

Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day. All documents and remittances are sent at the risk of the Unitholder.

5 Winding Up a Fund

5.1 Circumstances where winding up may occur

The Trustee shall proceed to wind-up a Fund:-

- a) if the order declaring the Fund to be an authorised unit trust fund ("Order of Authorisation") is revoked; or
- b) if the Manager or the Trustee requests the FSA to revoke the Order of Authorisation and FSA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Fund, FSA will accede to a request by the Manager or Trustee that the order of authorisation be revoked; or
- c) on the effective date of a duly approved scheme of arrangement which is to result in a Fund being left with no property.

If any of the events set out above or other events set out in COLL occurs, the Trustee shall cease the creation and cancellation of Units and the Manager will cease issuing, redeeming, buying and selling Units.

The Schroder Secure-Distribution 2032 Fund may be wound up without a Unitholder vote in the event that the net asset value of the Fund is lower than £50 million on the second anniversary of launch, or any time thereafter during the Capital Accumulation Phase. For the definition of Capital Accumulation Phase please refer to Appendix III Fund Details.

5.2 Manner of Winding Up

In the case of a scheme of arrangement referred to above, the Trustee shall wind-up the Fund in accordance with the approved scheme of arrangement.

In any other case, the Trustee shall, as soon as practicable after the Fund is to be wound-up, realise the property of the Fund and, after paying all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to the size of their holdings.

Any unclaimed net proceeds or other cash held by the Trustee after one year from the date the proceeds became payable, shall be paid by the Trustee into court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify the FSA in writing of that fact and the Trustee or the Manager shall request the FSA to revoke the Order of Authorisation.

6 Additional Information

6.1 Exercise of voting rights

The Investment Advisers and the Manager have a strategy for determining how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Fund. A summary of this strategy is available from the Manager on request. Details of action taken in respect of the exercise of voting rights are available from the Manager upon request.

6.2 Best Execution

The Manager's order execution policy sets out the basis upon which the Manager will effect transactions and place orders in relation to the Funds whilst complying with its obligations under the FSA Handbook to obtain the best possible result for the Manager on behalf of each Fund. Details of the order execution policy are available from the Manager on request.

6.3 Inducements and soft commission

The Manager may direct transactions on behalf of the Funds to brokers in return for research services and/or execution services provided to the Manager by the broker or a third party. The provision of these benefits will not result in any additional cost to the Funds. The Manager will make disclosures to the Trustee in relation to inducements as required under the FSA Rules.

Further information about such arrangements is available from the Manager on request.

6.4 Complaints

Complaints should be addressed to Head of Investor Services, Schroder Unit Trusts Limited, P O Box 1102, Chelmsford CM99 2XX. You can request a copy of the Manager's written internal complaints procedures by writing to the above address or contact Schroders Investor Services on 0800 718 777. You may also have the right to refer the complaint directly to the Financial Ombudsman, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Information about the Financial Ombudsman can be found at www.financial-ombudsman.org.uk. A statement of your rights to compensation in the event of Schroder Unit Trusts Limited being unable to meet its liabilities to you is available from the FSA and the Financial Services Compensation Scheme. Further details can be found at www.fscs.org.uk/

6.5 Money Laundering

As a result of legislation in force in the UK to prevent money laundering the Manager is responsible for compliance with anti-money laundering regulations. In order to implement these procedures, in certain circumstances, Unitholders may be asked to provide some proof of identity when buying or selling Units. Until satisfactory evidence has been received the Manager reserves the right to refuse to pay the proceeds of a redemption of Units or to pay income on Units to a Unitholder.

6.6 Non-UK Investors

The distribution of this Prospectus and the offering or purchase of Units in any of the Funds may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus in any such jurisdiction may treat this Prospectus as constituting an invitation to them to subscribe for Units unless, in the relevant jurisdiction, such an invitation could lawfully be made to them. Accordingly this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Units in any of the Funds to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Units in any of the Funds should inform themselves as to legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Units in the Funds which are described in this Prospectus have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), the United States Investment Company Act of 1940 as amended (the "Investment Company Act") or under the securities laws of any state of the US and may be offered, sold or otherwise transferred only in compliance with the Securities Act and such state or other securities laws. The Units in the Funds which are described in this Prospectus may not be offered or sold within the US, or to or for the account, directly or indirectly, of any US or any non-US Person if any US Person is a direct or indirect beneficiary. For these purposes, US Person is as defined in Rule 902 of Regulation S under the Securities Act or the Internal Revenue Code of 1986, as amended (the "Code").

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to investors other than individuals, (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term "US Person" also means any entity organised principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

Pursuant to the Code, the term US Person means (i) a citizen or resident of the US, (ii) a partnership organized under the laws of the US or any political subdivision thereof, (iii) a corporation or other entity treated as a corporation for US federal income tax purposes organized under the laws of the US or any political subdivision thereof, (iv) an estate the income of which is subject to US federal income tax without regard to its source or (v) a trust, if, either (a) a court within the US is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or (b) the trust was in existence on August 20, 1996 and properly elected to be treated as a US person.

If you are in any doubt as to your status, you should consult your financial or other professional adviser.

6.7 Who can invest

As authorised unit trusts, our Funds are available for investment by the public. Investment in our Funds may not be suitable for all investors. Your investment should be considered in light of your own personal circumstances, including your specific investment needs and risk appetite. If you are in any doubt about any of the Funds' suitability to your investment needs, you should seek appropriate professional advice.

6.7.1 Compulsory Redemption

The Manager may, if necessary, redeem Units to ensure that Units are neither acquired nor held by, or on behalf of, any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the Manager including a requirement to register under the laws and regulations of any country or authority. The Manager may in this connection require a Unitholder to provide such information as they may consider necessary to establish whether the Unitholder is the beneficial owner of the Units which they hold.

If it shall come to the attention of the Manager at any time that Units are beneficially owned by a US Person, the Company will have the right to redeem compulsorily such Units.

6.8 Literature request

Investors can obtain free of charge on request, copies of:

- a) this Prospectus and Key Investor Information Document for the Funds;
- b) the Trust Deed by which a Fund is constituted and governed, as amended or supplemented; and
- c) the latest long report of the Funds and the latest half yearly report.

These documents are available on request from the registrar of the Fund at the address listed in the "Administration" paragraph. Documents a) and c) are also available online at www.schroders.co.uk.

6.9 Data Protection Act

For the purposes of the Data Protection Act 1998, the data controller in relation to any personal data you supply is the Manager.

Information you supply may be processed for the purpose of investment administration by any company within the Schroders group, by third parties who provide services to the Schroders group and by your financial adviser. Such processing may include the transfer of data out of the European Economic Area. The Schroder group may from time to time send you information about Schroders financial and investment products and services, or those of selected third parties, that Schroders think will be of interest to you. Schroders will contact you by post, telephone and email for this purpose. If you do not wish to receive marketing approaches please write to Head of Investor Services, Schroder Investments Limited, PO Box 1102, Chelmsford CM99 2XX.

Appendix I Investment Restrictions

The investment objective and policy of the Funds, set out in Appendix III, are subject to the limits on investment under Chapter 5 of COLL, which are summarised below.

1 Transferable Securities / Money Market Instruments

Each Fund may invest without limitation, except where otherwise specifically stated in:

- a) transferable securities and money market instruments (as defined for the purposes of COLL) admitted to or dealt in on an eligible market (approved securities)
- b) money market instruments issued or guaranteed by:
 - (i) a central, regional or local authority or central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA States belong or
 - (ii) an establishment subject to prudential supervision in accordance with criteria defined by Community law or an establishment which is subject to and complies with prudential rules considered by the FSA to be at least as stringent as those laid down by Community law

Each Fund may invest up to 10% of its net asset value in aggregate in:

- a) transferable securities that are not admitted to or dealt in on the rules of an eligible market or
- b) money market instruments not falling within b) above

Eligible markets for the Funds are explained and set out in Appendix IV.

2 Warrants

Except for the following, no more than 5% of each Fund may be invested where the transferable security or money market instrument is a warrant:

- Schroder Absolute Return Bond Fund
- Schroder Asian Income Maximiser
- Schroder Global Alpha Plus Fund
- Schroder Global Climate Change Fund
- Schroder Global Property Income Maximiser
- Schroder Global Property Securities Fund
- Schroder Income Maximiser
- Schroder Managed Wealth Portfolio
- Schroder Recovery Fund
- Schroder Secure-Distribution 2032 Fund
- Schroder Small Cap Discovery Fund
- Schroder Strategic Bond Fund
- Schroder UK Core Fund
- Schroder US Alpha Plus Fund

Each of the above Funds is permitted to invest over 5% of its scheme property in warrants. As with derivative use, the outcome of the use of warrants, in terms of the risk profile of the Funds, depends on our underlying investment rationale for the Fund in question. While we do not expect to invest high percentages of scheme property in warrants, if we do use them in such a way, this may lead to a higher volatility in the Unit price of that Fund.

On investment, the exposure created by the exercise of the warrant must not exceed the spread limits of a UCITS scheme.

3 Nil/Partly paid

A transferable security or a money market instrument on which any sum is unpaid may be invested in only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the other rules in this appendix.

4 Collective Investment Schemes

Each Fund may invest in Units of any other collective investment schemes which are:

- a) UCITS Schemes;
- b) schemes recognised under Section 270 of the Financial Services and Markets Act 2000;
- c) non-UCITS retail schemes as defined in COLL; or
- d) schemes authorised in an EEA State provided the restrictions in Articles 50(1)(e) of the UCITS Directive are met; or
- e) schemes authorised by the competent authority of an OECD member country (other than another EEA State) which has:
 - (i) signed the IOSCO Multilateral Memorandum of Understanding; and
 - (ii) approved the scheme's management company, rules and depositary/custody arrangements; provided the requirements of article 50(1)(e) of the UCITS Directive are met);

provided that no more than 30% of the value of the Fund may invest in other collective investment schemes which are not UCITS Schemes but satisfy b) to e) above and that the schemes invested in cannot themselves invest more than 10% in other collective investment schemes.

The Funds may invest in Units of a Fund operated by the Manager or an associate of the Manager. No charge will be made for the issue or redemption of those Units.

No Fund may invest more than 10% of net asset value in Units of collective investment schemes except for:

— Schroder Managed Wealth Portfolio

where up to 100% of net asset value may be invested. The maximum level of management fee that may be charged to the Fund for these underlying funds is 3% of its net asset value. The maximum level of management fee that the Fund may charge is the same as the current management charge set out in Appendix III.

5 Deposits

In the case of:

- Schroder Absolute Return Bond Fund
- Schroder Asian Income Maximiser
- Schroder Gilt and Fixed Interest Fund

- Schroder Global Alpha Plus Fund
- Schroder Global Climate Change Fund
- Schroder Global Property Income Maximiser
- Schroder Global Property Securities Fund
- Schroder Income Maximiser
- Schroder Managed Wealth Portfolio
- Schroder Secure-Distribution 2032 Fund
- Schroder Strategic Bond Fund
- Schroder UK Core Fund
- Schroder US Alpha Plus Fund

each Fund may invest in deposits without limitation, only with an approved bank and which are repayable on demand or has the right to withdraw and maturing in no more than 12 months.

Cash and near cash may only be held to assist in the redemption of Units, the efficient management of the Fund or purposes regarded as ancillary to the Fund.

6 Derivatives and Forwards

The Manager has the power to buy and sell derivatives (including, but not limited to, futures, swaps, options and contracts for difference) and forwards both on exchange and off exchange, in all Funds as set out in paragraph 6.1, provided they are permitted. A derivative is permitted where the underlying asset is a transferable security, money market instrument, deposit, derivative or collective investment scheme (all only in so far as COLL permits the Funds to invest in these asset classes directly). A derivative is also permitted where the underlying assets are financial indices, interest rates, foreign exchange rates or currencies. Any transaction entered into on-exchange must be effected on or under the rules of an eligible derivatives market. Off-exchange derivatives and forwards must only be entered into with approved counterparties, on approved terms, and must be capable of reliable valuation and subject to verifiable valuation (all as defined in and on the terms detailed in COLL).

The Manager will ensure that any transaction in derivatives and forwards is covered in accordance with COLL. This includes ensuring at all times that each Fund has enough assets to adequately cover the derivative positions. In assessing the adequacy of the cover for derivative positions the Manager will take into account the value of the underlying assets, counterparty risk, the time taken to liquidate any derivative position and reasonably foreseeable market movement.

When using derivatives, the Manager uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach. Unless specified otherwise in Appendix III, the global exposure relating to financial derivative instruments will be calculated using a commitment approach. A statement will be made in Appendix III to indicate which Funds apply a Value-at-Risk (VaR) approach to calculate their global exposure.

Commitment approach

The commitment approach is simply defined as the market value exposure of derivatives, after netting and hedging, not exceeding the Net Asset Value of a Fund. This is typically used on funds where derivative usage is low or funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

VaR approach

VaR is a means of measuring the potential loss to a Fund due to market risk. Historical data is used in the calculation of VaR. The period used for this purpose is the observation period.

VaR reports will be produced and monitored on a daily basis based on the following criteria:

- 1 month holding period;
- 99% unilateral confidence interval;
- at least a one year effective historical observation period (250 days) unless market conditions require a shorter observation period; and
- parameters used in the model are updated at least quarterly.

Stress testing will also be applied at a minimum of once per month.

VaR limits are set using an absolute or relative approach.

a) Absolute VaR approach

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark, for example with absolute return funds. Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Fund. The absolute VaR limit of a Fund has to be set at or below 20% of its Net Asset Value. This limit is based upon a 1 month holding period and a 99% unilateral confidence interval.

b) Relative VaR approach

The relative VaR approach is used for Funds where a VaR benchmark reflecting the investment strategy which the Fund is pursuing is defined. Under the relative VaR approach a limit is set as a multiple of the VaR of a benchmark or reference portfolio. The relative VaR limit of a fund has to be set at or below twice the VaR of the Fund's VaR benchmark. Information on the specific VaR benchmark used is disclosed in Appendix III.

Upon request, the Manager will provide further details of the quantitative limits and methods used in applying the risk management of each Fund as well as any recent developments in the risk and yields of the main categories of investment of each Fund.

6.1 Derivatives and Forwards Use

6.1.1 Efficient Management

Derivatives and forwards may be used for the efficient management of all Funds. The aim of any derivative or forward used for such reasons is not to materially alter the risk profile of the Fund, rather their use is to assist the Manager in meeting the investment objectives of each Fund as set out in Appendix III by:

- **reducing risk and/or**
- **reducing cost and/or**
- **generating additional income or capital for each Fund.**

Where transactions in derivatives or forward transactions are used for the account of the authorised fund in accordance with any of the provisions of this paragraph 6, nothing in this paragraph prevents the Trustee at the request of the Manager, from

- a. lending, depositing, pledging or charging scheme property for margin requirements
- b. transferring scheme property under the terms of an agreement in relation to margin requirements, provided that the authorised fund manager reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Unitholders

The aim of reducing risks or costs will allow the Manager to enter into exposures on permissible assets or currencies using derivatives or forwards as an alternative to selling or purchasing underlying assets or currencies. These exposures may continue for as long as the Manager considers that the use of derivatives continues to meet the original aim.

The aim of generating additional income allows the Manager to write options on existing assets where it considers the transaction will result in the Fund deriving a benefit, even if the benefit obtained results in the surrendering the chance of greater benefit in the future.

The aim of generating additional capital allows the Manager to take advantage of any pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights relating to assets the same as, or equivalent to which the Fund holds or may hold.

The following types of risks are relevant in relation to the efficient management of the Funds:

- Market risk – which is the risk of losses due to adverse market movements in the price of the assets held by the Fund or rates or changes in the anticipated or calculated volatility of these movements (volatility risk).
- Interest rate risk – which is the risk that changes to an interest rate will have an adverse impact on the market value of a portfolio, and is the main risk impacting the price of investment grade bonds.
- Credit risk – is the risk that an issuer will default on the payment of coupons and/or redemptions.
- Foreign exchange (FX) risk – which is the risk that an asset held in the Fund in a currency other than the Base Currency of the Fund may be affected by changes in the exchange rate between the two currencies.

The following techniques are included in the efficient management of the Funds:

- Hedging – where the Manager may manage market and FX risk related to assets held in a Fund by using derivatives to reduce any perceived loss. In relation to FX hedging this includes the use of cross currency hedging techniques.
- Cash flow management – where the Manager may manage market risk following cash flows into the Fund by using derivatives to gain an exposure to an individual asset or obtain the desired exposure to an index. Thereafter the Manager may retain the position whilst it remains appropriate to manage subsequent inflows and outflows of cash efficiently.
- Asset allocation – where the Manager may manage market risk by using derivatives to achieve a desired exposure to an index, basket of shares or bonds, or between different markets. The derivatives positions will be closed out where the Manager has achieved the desired exposure by the buying or selling of the underlying stock, but there is no fixed time limit within which this closing out will take place.
- Fixed income management – where the Manager will use derivatives to manage credit risk and interest rate risk in relation to bond Funds. This technique includes the management of a Fund's duration (duration being the term used to measure the sensitivity of a bond's price to interest rate changes which is dependent on the bond's maturity profile and coupon pay-out schedule).
- Buying and selling protection – where the Manager may:
 - Sell protection (i.e. gain long credit exposure) in Credit Default Swaps where the objectives of the Fund can be achieved at lower risk and/or cost than transacting the underlying,
 - Buy protection (i.e. gain short credit exposure) in index Credit Default Swaps for hedging purposes,
 - Buy protection (i.e. gain short credit exposure) in single name Credit Default Swaps to hedge an existing long credit position or to create an outright short credit position that is covered by liquid assets within the Fund.

- Overwriting/Yield enhancement - where the Manager will look to generate additional income in a Fund by writing options on assets held, provided this is consistent with a Fund's investment objective. Such techniques are in addition to, and separate from any income derived from stock lending activities permitted by paragraph 12 below.

6.1.2 Using Derivatives for specific investment purposes

In the case of:

- Schroder Absolute Return Bond Fund
- Schroder Asian Income Maximiser
- Schroder Global Alpha Plus Fund
- Schroder Global Climate Change Fund
- Schroder Global Property Income Maximiser
- Schroder Global Property Securities Fund
- Schroder Income Maximiser
- Schroder Managed Wealth Portfolio
- Schroder Recovery Fund
- Schroder Secure-Distribution 2032 Fund
- Schroder Small Cap Discovery Fund
- Schroder Strategic Bond Fund
- Schroder UK Core Fund
- Schroder US Alpha Plus Fund

derivatives may be used for specific investment purposes in accordance with the rules summarised in paragraph 6 above in addition to being used for efficient management.

In order for the Schroder Secure-Distribution 2032 Fund to achieve its investment objective, the Fund will gain exposure to the underlying growth assets and defensive assets (as defined in Appendix III Fund Details) via one or more customised swap agreements. Investment in such customised swap agreements is not expected to lead to a higher volatility in the Unit price of the Fund.

In the case of:

- Schroder Global Alpha Plus Fund
- Schroder Global Climate Change Fund
- Schroder Global Property Securities Fund
- Schroder UK Core Fund

it is not the current intention to use derivatives for specific investment purposes in addition to being used for efficient management. Should there be a change in this intention registered Unitholders will be given appropriate notice.

The aim of any derivative or forward used for specific investment purposes is not to materially alter the risk profile of the Fund, rather their use is to assist the Manager in meeting the investment objectives of each Fund as set out in Appendix III.

6.1.3 Valuation of OTC derivatives

For the purposes of this paragraph 6 the Manager must: establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. Where the arrangements and procedures referred to in this paragraph 6 involve the performance of certain activities by third parties, the Manager must comply with the requirements in the FSA Handbook SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes). The arrangements and procedures referred to this paragraph 6 must be: adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

7 Spread limits

- a) For the purposes of this paragraph 7, companies included in the same group for the purposes of consolidated accounts as defined in accordance with the Seventh Council Directive 82/349/EEC of 13 June 1983 based on Article 54(3)(g) of the Treaty on consolidated accounts or, in the same group in accordance with international accounting standards, are regarded as a single body.
- b) Not more than 20% in value of the property of each Fund is to consist of deposits with a single body.
- c) Not more than 5% in value of the property of each Fund is to consist of transferable securities (as defined in COLL) or money-market instruments issued by any single body.
- d) The limit of 5% in c) is raised to 10% in respect of up to 40% in value of the property of each Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40%. The limit of 5% in (c) is raised to 25% in value of the property of each Fund in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the property of the relevant Fund.
- e) In applying c) and d), certificates representing certain securities (as defined in COLL) are to be treated as equivalent to the underlying security.
- f) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the property of each Fund; this limit being raised to 10% where the counterparty is an approved bank (as defined in COLL). Calculation of the exposure to a counterparty will be carried out in accordance with COLL.
- g) Not more than 20% in value of the property of each Fund is to consist of transferable securities and money-market instruments issued by the same group (as referred to in a) above).
- h) For Schroder Managed Wealth Portfolio not more than 20% in value of the Fund is to consist of the Units of any one collective investment scheme (as defined in COLL).
- i) In applying the limits in b), c), d), e) and f), not more than 20% in value of the property of the Fund is to consist of any combination of two or more of the following:
 - (i) transferable securities (including covered bonds) or money-market instruments issued by; or
 - (ii) deposits made with; or
 - (iii) exposures from OTC derivatives transactions made with a single body.
- j) In applying the limits in f) and i) above, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets the relevant conditions set out in COLL.

These limits do not apply to government and public securities, as to which see below.

8 Government and Public Securities

In respect of the Schroder Absolute Return Bond Fund, Schroder Corporate Bond Fund, Schroder Gilt and Fixed Interest Fund, Schroder Monthly High Income Fund and Schroder Strategic Bond Fund, each Fund may invest without limitation in transferable securities that are defined by the FSA as government and public securities (GAPS).

At any time, where no more than 35% of such Funds value is invested in GAPS issued by any one issuer, there is no limit to the amount which may be invested in GAPS of any one issue or issuer.

When the aforementioned Funds invest more than 35% of the Funds' value the Manager must, before any such investment is made consult with the Trustee, and as a result:

- have considered if the issuer of the GAPS is one which is appropriate in accordance with the investment objectives of each Fund;
- ensure that no more than 30% in value of each Fund consists of GAPS of any one issue and
- ensure that each Fund includes GAPS issued by that or another issuer of at least six different issues.

More than 35% of the property of each Fund may be invested in GAPS issued by or on behalf of or guaranteed by the Government of the UK (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States (including Government National Mortgage Association (GNMA), Student Loan Marketing Association (SLMA), Tennessee Valley Authority (TVA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Financing Corporation (FICO), Private Export Funding Corporation (PEFCO), Resolution Funding Corporation (RFCO) or by one of the following international organisations: African Development Bank, Asian Development Bank (ADB), Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW), LCR Finance plc and the Nordic Investment Bank (NIB).

In relation to such securities: issue, issued and issuer include guarantee, guaranteed and guarantor; and an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

In applying the 20% limit with respect to a single body (as specified in sub-paragraph 7b) Spread Limits), government and public securities issued by that body shall be taken into account.

9 Significant Influence

The Manager must not acquire, or cause to be acquired for each Fund, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if immediately before the acquisition, the aggregate of any such securities held for each Fund, taken together with any such securities already held for other authorised unit trusts of which it is also the Manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or the acquisition gives the Manager that power.

The Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all the authorised unit trusts of which it is the Manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

10 Concentration

Each Fund:

- a) must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10% of those securities issued by that body corporate;
- b) must not acquire more than 10% of the debt securities issued by any single body;
- c) must not acquire more than 25% of the Units of a single collective investment Fund;

- d) must not acquire more than 10% of the money market instruments issued by any single body;
- e) need not need not comply with the limits in (b), (c) and (d) above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

11 Borrowing

The Trustee may, on the instructions of the Manager and subject to COLL, borrow money from an eligible institution or an approved bank for the use of each Fund on terms that the borrowing is to be repayable out of the property of the Fund.

Borrowing must be on a temporary basis must not be persistent and in any event must not exceed three months without the prior consent of the Trustee which may be given only on such conditions as appear appropriate to the Trustee to ensure that the borrowing does not cease to be on a temporary basis. The Manager must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the property of each Fund.

These borrowing restrictions do not apply to “back to back” borrowing for currency hedging purposes, i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

12 Stock lending

As an element of efficient management, the Manager may request the Trustee to enter into permitted stock lending transactions in respect of each Fund in accordance with COLL.

Briefly, stock lending transactions are those where the Trustee delivers the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered at a later date. The Trustee at the time of delivery of the securities receives assets as collateral to cover against the risk that the securities are not returned. Such transactions must always comply with the relevant requirements of the FSA from time to time and the specific rules in the Regulations and the Guidance on Stock Lending issued by the Taxation of Chargeable Gains Act 1992 section 263 B (without extension to section 263C). There is no limit on the value of the property of a Fund which may be the subject of stock lending transactions.

Where stock lending is permitted on a Fund, this is disclosed in Appendix III.

13 Risk Management

- The Manager uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of each Fund’s position and their contribution to the overall risk profile of the Fund.

13.1 Reporting

- The following details of the risk management process must be regularly notified by the Manager to the FSA and at least on an annual basis:
 - a) a true and fair view of the types of derivatives and forward transactions to be used within a Fund together with their underlying risks and any relevant quantitative limits; and
 - b) the methods for estimating risks involved in derivative and forward transactions.

Appendix II Risks of Investment

General Risks

Past performance is not a guide to future performance and Units should be regarded as a medium to long-term investment. The value of investments and the income generated by them may go down as well as up and investors may not get back the amount originally invested. Where the currency of a Fund varies from the investor's home currency, or where the currency of a Fund varies from the currencies of the markets in which the Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to investors greater than the usual risks of investment.

Investment Objective Risk

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for a Fund.

Risk of Suspension of Unit dealings

Investors are reminded that in certain circumstances their right to redeem or transfer Units may be suspended (see paragraph headed, "Suspension").

Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Fund's Investment Adviser may consider the highest rating for the purposes of determining whether the security is investment grade. A Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Fund's Investment Adviser will consider whether the security continues to be an appropriate investment for the Fund. The Fund's Investment Adviser considers whether a security is investment grade only at the time of purchase. Some of the Funds will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Adviser.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of

rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Some of the Funds invest in below investment grade securities. Although investment grade securities generally have lower credit risk than securities rated below investment grade, they may share some of the risks of lower-rated securities, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. A Fund's investment in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

Inflation / Deflation Risk

Inflation is the risk that a Fund's assets or income from a Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

Financial Derivative Instrument Risk

For a Fund that uses financial derivative instruments to meet its investment objective, there is no guarantee that the performance of the financial derivative instruments will result in a positive effect for the Fund and its Unitholders. The use of financial derivative instruments may increase the Unit price volatility, which may result in higher losses for the Unitholder.

Warrants Risk

When a Fund invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market. In addition to the market risk related to the volatility of warrants, a Fund investing in synthetic warrants, where the issuer of the synthetic warrant is different to that of the underlying stock, is subject to the risk that the issuer of the synthetic warrant will not perform its obligations under the transactions which may result in the Fund, and ultimately its Unitholders, suffering a loss.

Credit Default Swap Risk

The use of credit default swaps normally carries a higher risk than investing in bonds directly. A credit default swap allows the transfer of default risk. This allows a Fund to effectively buy insurance on a reference obligation it holds (hedging the investment) or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Fund does not hold the underlying reference obligation, there may be a market risk as the Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. A Fund will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Futures, Options and Forward Transactions Risk

A Fund may use options, futures and forward contracts on currencies, securities, indices, currency, volatility, inflation and interest rates for hedging and investment purposes.

Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact which may work for or against the Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the Fund is fixed, the Fund may sustain a loss well in excess of that amount. The Fund will also be exposed to the risk of the purchaser exercising the option and the Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions, in particular those traded over-the-counter, have counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

Credit Linked Note Risk

A credit linked note is a debt instrument which assumes both credit risk of the relevant reference entity (or entities) and the issuer of the credit linked note. There is also a risk associated with the coupon payment; if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.

Equity Linked Note Risk

The return component of an equity linked note is based on the performance of a single equity security, a basket of securities or an equity index. Investment in these instruments may cause a capital loss if the value of the underlying security decreases. In extreme cases the entire capital may be lost. These risks are also found in investing in equity investments directly. The return payable for the note is determined at a specified time on a valuation date, irrespective of the fluctuations in the underlying stock price. There is no guarantee that a return or yield on an investment will be made. There is also the risk that a note issuer may default.

A Fund may use equity linked notes to gain access to certain markets, for example emerging and less developed markets, where direct investment is not possible. This approach may result in the following additional risks being incurred – lack of a secondary market in such instruments, illiquidity of the underlying securities, and difficulty selling these instruments at times when the underlying markets are closed.

Particular Risks of over-the-counter “OTC” Derivative Transactions

Securities traded synthetically in OTC markets may trade in smaller volumes, and their prices may be more volatile than securities traded on securities exchanges (or otherwise). OTCs with securities as their underlying may be less liquid than actual traded securities. In addition, the prices of such OTCs may include an undisclosed dealer mark-up which a Fund may pay as part of the purchase price.

Counterparty Risk

A Fund conducts transactions through or with brokers, clearing houses, market counterparties and other agents. A Fund will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

A Fund may invest into instruments such as notes, swaps or warrants the performance of which is linked to a market or investment to which the Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

The Funds will only enter into OTC derivatives transactions with reputable institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivatives transactions should not exceed 10% of the relevant Fund's net assets when the counterparty is an approved bank or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limits.

Custody Risk

Assets of the Funds are safe kept by the Custodian and Unitholders are exposed to the risk of the Custodian not being able to fully meet its obligation to reconstitute in a short time frame all of the assets of the Funds in the case of bankruptcy of the Custodian. Securities of the Funds will normally be identified in the Custodian's books as belonging to the Funds and segregated from other assets of the Custodian which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The Custodian does not keep all the assets of the Funds itself but uses a network of sub-custodians which are not part of the same group of companies as the Custodian. Unitholders are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Custodian.

A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The Custodian may have no liability where the assets of the Funds that are traded in such markets.

Smaller Companies Risk

A Fund which invests in smaller companies may fluctuate in value more than other Funds. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and the Fund may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

Technology Related Companies Risk

Investments in the technology sector may present a greater risk and a higher volatility than investments in a broader range of securities covering different economic sectors. The equity securities of the companies in which a Fund may invest are likely to be affected by world-wide scientific or technological developments, and their products or services may rapidly fall into obsolescence. In addition, some of these companies offer products or services that are subject to governmental regulation and may, therefore, be adversely affected by governmental policies. As a result, the investments made by a Fund may drop sharply in value in response to market, research or regulatory setbacks.

Lower Rated, Higher Yielding Debt Securities Risk

A Fund may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in the Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

Property and Real Estate Companies Securities Risk

The risks associated with investments in securities of companies principally engaged in the real estate industry include: the cyclical nature of real estate values; risks related to general and local economic conditions; overbuilding and increased competition; increases in property taxes and operating expenses; demographic trends and variations in rental income; changes in zoning laws; casualty or condemnation losses; environmental risks; regulatory limitations on rents; changes in neighbourhood values; related party risks; changes in the appeal of properties to tenants; increases in interest rates; and other influences of capital markets on real estate. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the Fund's investments.

The real estate market has, at certain times, not performed in the same manner as equity and bond markets. As the real estate market frequently performs, positively or negatively and without any correlation to the equity or bond markets, these investments may affect the performance of the Fund either in a positive or a negative manner.

Mortgage related and other asset backed securities Risks

Mortgage-backed securities, including collateralised mortgage obligations and certain stripped mortgage-backed securities represent a participation in, or are secured by, mortgage loans. Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicles instalment sales or instalment loan contracts, leases of various types of real and personal property and receivables from credit card agreements.

Traditional debt investments typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on mortgage-backed and many asset-backed investments typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or foreclosure. A Fund may have to invest the proceeds from prepaid investments in other investments with less attractive terms and yields. As a result, these securities may have less potential for capital appreciation during periods of declining interest rates than other securities of comparable maturities, although they may have a similar risk of decline in market value during periods of rising interest rates. As the prepayment rate generally declines as interest rates rise, an increase in interest rates will likely increase the duration, and thus the volatility, of mortgage-backed and asset-backed securities. In addition to interest rate risk (as described above), investments in mortgage-backed securities composed of sub-prime mortgages may be subject to a higher degree of credit risk, valuation risk and liquidity risk (as described above). Duration is a measure of the expected life of a fixed income security that is used to determine the sensitivity of the security's price to changes in interest rates. Unlike the maturity of a fixed income security, which measures only the time until final payment is due, duration takes into account the time until all payments of interest and principal on a security are expected to be made, including how these payments are affected by prepayments and by changes in interest rates.

The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Some mortgage-backed and asset backed investments receive only the interest portion or the principal portion of payments on the underlying assets. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying assets. Interest portions tend to decrease in value if interest rates decline and rates of repayment (including prepayment) on the underlying

mortgages or assets increase; it is possible that a Fund may lose the entire amount of its investment in an interest portion due to a decrease in interest rates. Conversely, principal portions tend to decrease in value if interest rates rise and rates of repayment decrease. Moreover, the market for interest portions and principal portions may be volatile and limited, which may make them difficult for a Fund to buy or sell.

A Fund may gain investment exposure to mortgage-backed and asset-backed investments by entering into agreements with financial institutions to buy the investments at a fixed price in a future date. A Fund may or may not take delivery of the investments at the termination date of such an agreement, but will nonetheless be exposed to changes in the value of the underlying investments during the term of the agreement.

Initial Public Offerings Risk

A Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

Risk associated with Debt securities issued pursuant to Rule 144A under the Securities Act of 1933

SEC Rule 144A provides a safe harbour exemption from the registration requirements of the Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular rule 144A security.

Emerging and Less Developed Markets Securities Risk

Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include; smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.

Although many of the emerging and less developed market securities in which a Fund may invest are traded on securities exchanges, they may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the relevant Fund may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Fund and compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

In addition investments in certain emerging and less developed countries, such as Russia and Ukraine, are currently subject to certain heightened risks with regard to the ownership and custody of securities. In these countries, shareholdings are evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the custodian). No certificates representing shareholdings in companies will be held by the custodian or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, a Fund could lose its registration and ownership of the securities through fraud, negligence or even mere error. Debt securities also have an increased custodial risk associated with them as such securities may, in accordance with market practice in the emerging or less developed countries, be

held in custody with institutions in those countries which may not have adequate insurance coverage to cover loss due to theft, destruction or default. It should be taken into consideration that when investing in government debt of emerging or less developed countries, particularly Ukraine, whether via the primary or secondary market, local regulations may stipulate that investors maintain a cash account directly with the sub-custodian. Such balance represents a debt due from the sub-custodian to the investors and the custodian shall not be liable for this balance.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

Specific risks linked to stock lending and repurchase transactions

Stock lending and repurchase transactions involve certain risks. There is no assurance that a Fund will achieve the objective for which it entered into a transaction.

Repurchase transactions might expose the Fund to risks similar to those associated with optional or forward derivative financial instruments, the risks of which are described in other parts of this Prospectus. Stock loans may, in the event of a counterparty default or an operational difficulty, be recovered late and only in part, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

The Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction. If the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to the Fund or to purchase replacements for the securities that were lent to the counterparty. In the latter case, the Fund's tri-party lending agent will indemnify the Fund against a shortfall of cash available to purchase replacement securities but there is a risk that the indemnity might be insufficient or otherwise unreliable.

In the event that the Fund reinvests cash collateral in one or more of the permitted types of investment that are described above, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict the Fund's ability to recover its securities on loan, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

Private equity

A Fund may gain exposure to private equity through investment in transferable securities and/or regulated collective investment schemes which themselves invest in this asset class. Investments in Private Equity involve a high degree of risk and can be illiquid and highly speculative.

Hedge Funds

A Fund may gain exposure to hedge funds through investment in transferable securities and/or regulated collective investment schemes which themselves invest in these asset classes. Underlying hedge funds will utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy. These risks associated with these instruments are described above. The underlying hedge funds may also sell covered and uncovered options on securities. To the extent that such options are uncovered, such underlying hedge funds could incur an unlimited loss.

Underlying hedge funds may only be available for subscription or redemption on a periodic basis (e.g. quarterly). Furthermore some such schemes may be closed for subscription/and or redemptions, may be subject to certain restrictions or limitations, and there is unlikely to be an active secondary market in the shares or Units of such underlying hedge funds. Accordingly it may be difficult or impossible for an underlying hedge fund to acquire, realise or value its investment as and when it deems appropriate. The inability to accurately value and/or realise such investments may restrict the ability of an underlying hedge fund to redeem shares or Units.

Potential Conflicts of Interest

The Investment Advisers and the Manager may effect transactions in which the Investment Advisers or the Manager have, directly or indirectly, an interest which may involve a potential conflict with the Investment Advisers' duty to a Fund. Neither the Investment Advisers nor the Manager shall be liable to account to a Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Advisers' fees, unless otherwise provided, be abated.

Where a conflict cannot be avoided, The Investment Advisers and the Manager will have regard to their respective obligations to act in the best interests of the Fund so far as practicable, having regard to their obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. The Investment Advisers will ensure that investors in affected Funds are treated fairly and that such transactions are effected on terms which are not less favourable to a Fund than if the potential conflict had not existed.

The Investment Advisers and the Manager acknowledge that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a Fund or its Unitholders will be prevented. Should any such situations arise the Manager will disclose these to Unitholders in an appropriate format.

Such potential conflicting interests or duties may arise because the Investment Advisers or the Manager may have invested directly or indirectly in a Fund.

Appendix III Fund Details

1.1 Fund Details - General

Where a Fund's investment policy refers to investments in corporations of a particular country or region, such reference means (in the absence of any further specification) investments in companies listed, incorporated, headquartered or having their principal business activities in such country or region.

Where a Fund's investment policy refers to investments in non-government bonds, such reference includes (in the absence of any further specification) those issued by quasi-government, supra-national agencies and sub-sovereign issuers as well as bonds issued by corporate entities.

Schroder Absolute Return Bond Fund

Investment Objective

The Fund's investment objective is to achieve a positive return over rolling 12 month periods, in all market conditions.

To achieve the investment objective, the Fund will invest primarily in a portfolio of bonds and other fixed and floating rate securities denominated in various currencies issued by governments, government agencies, supra-national and corporate issuers worldwide. The full spectrum of available securities, including non-investment grade, may be utilised. In addition foreign currency strategies may also be employed.

Investment will be primarily in directly held transferable securities. The Fund may also invest in collective investment schemes, derivatives, cash, deposits, warrants and money market instruments.

Further Information

The Manager will seek to achieve positive returns in all market conditions, but there is no guarantee that this objective will be achieved.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.00% Z Accumulation and Z Income 0.60%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 December
Half-Yearly Accounting Date	30 June
Income Allocation Dates	28 February and 31 August
Profile of a Typical Investor	The Fund is a low-medium risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are seeking to combine income with some capital

	<p>growth opportunities in the relative stability of the debt markets over the long term. Investors should be aware that the fund's value may be adversely affected in the short term in some market environments and should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.</p>
Stock lending	Permitted
Global Risk Exposure	<p>The Fund may use derivative instruments for efficient management and for specific investment purposes.</p> <p>The Fund employs the absolute Value-at-Risk (VaR) approach to measure its global risk exposure.</p>
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Annual Management Charge Being Charged Wholly to Capital	As a result of the annual management fee being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
Emerging Markets Risk	<p>The Fund will invest a portion of its assets in the securities of companies incorporated in or operating in emerging markets and investors should be aware of the risks noted below in relation to the Fund's emerging market allocation.</p> <ul style="list-style-type: none"> a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the securities markets and participants in those markets g) Political uncertainty

Schroder Asian Income Fund

Investment Objective

The Fund's investment objective is to provide a growing income and capital growth for investors over the long term primarily through investment in equity and equity-related securities of Asian companies which offer attractive yields and growing dividend payments. The emphasis of the fund will be investment in the Asia Pacific excluding Japan (including Australia and New Zealand) region.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 January
Half-Yearly Accounting Date	15 July
Income Allocation Dates	15 March and 15 September
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.

All Charges Being Charged Wholly to Capital	As a result of all charges being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
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Schroder Asian Income Maximiser

Investment Objective

The Fund's investment objective is to provide income with potential for capital growth primarily through investment in equity and equity-related securities of Asian (ex Japan) companies.

Investment Policy

In order to generate additional income, the Manager may selectively sell short-dated call options over securities or portfolios of securities held by the Fund, or indices, by setting individual target 'strike' prices at which those securities may be sold in the future.

The Manager is also permitted to sell put options on securities or portfolios of securities which are not held by the Fund, or indices, at target prices that are pre-set below the current market level. The Manager may also, for the purpose of efficient management, use derivative instruments which replicate the performance of a basket of short-dated call options or a combination of equity securities and short-dated call options.

Investment will primarily be in directly held transferable securities. The Fund may also invest in collective investment schemes, cash, deposits, warrants, money market instruments and derivatives. In particular, the Fund may buy or sell over-the-counter and exchange-traded derivatives, and enter into total returns swaps. The Fund will use derivative instruments for investment purposes as well as for efficient portfolio management.

Further Information

The Fund aims to deliver a target yield of 7% per year*. The target yield of 7% is not guaranteed and could change according to prevailing market conditions. The Manager will notify Unitholders if the target yield changes.

* The yield is the sum of the four quarterly distributions that comprise the fund year, each calculated by dividing the quarterly distribution amount by the Unit price at the start of that quarter.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25%

	Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 December
Other Accounting Date	31 March, 30 June and 30 September
Income Allocation Dates	28 February, 31 May, 31 August and 30 November
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
All Charges Being Charged Wholly to Capital	As a result of all charges being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
Quoted Target Yield is Not Guaranteed	The quoted target yield for this Fund is an estimate and is not guaranteed. It is quoted net of basic rate tax. Higher rate and additional rate taxpayers should note that they may be liable for further deductions.
Use of Covered Call Options for Investment Purposes	This Fund uses derivatives to achieve its investment objective. The way in which derivatives are used will increase the income paid to Unitholders and reduce volatility, but there is the potential that performance or capital value may be eroded.

Schroder Corporate Bond Fund

Investment Objective

The Fund's investment objective is to achieve a high level of income from a diversified portfolio of fixed interest securities.

The emphasis of the Fund will be sterling denominated, or hedged-to-sterling, corporate bonds. The Fund may also invest in convertible bonds, British government securities, eurosterling issues, preference shares, sterling denominated and non-sterling denominated fixed interest securities, and other fixed interest issues. Investment will be in directly held transferable securities.

The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.00% Z Accumulation and Z Income 0.60%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	25 August
Other Accounting Dates	25 February, 25 May and 25 November
Income Allocation Dates	25 October, 25 April, 25 July and 25 January
Profile of a Typical Investor	The Fund is a low-medium risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are seeking to combine income with some capital growth opportunities in the relative stability of the debt markets over the long term. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Annual Management Charge Being Charged Wholly to Capital	As a result of the annual management fee being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
Emerging Markets Risk	<p>The Fund will invest a portion of its assets in the securities of companies incorporated in or operating in emerging markets and investors should be aware of the risks noted below in relation to the Fund's emerging market allocation.</p> <ul style="list-style-type: none"> a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the securities markets and participants in those markets g) Political uncertainty

Schroder European Alpha Plus Fund

Investment Objective

The Fund's investment objective is to provide capital growth through investment in European and other companies.

The emphasis of the Fund will be investment in European companies. The Fund may also invest in companies headquartered or quoted outside Europe where those companies have material or critical operations within or derive significant business from Europe. Fixed interest securities may be included in the portfolio.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 March
Half-Yearly Accounting Date	15 September
Income Allocation Date	15 May
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the

	general risks of investment detailed in Appendix II.
Concentrated Portfolio Risk	This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.

Schroder European Smaller Companies Fund

Investment Objective

The Fund's investment objective is to achieve capital appreciation through investment in smaller European companies.

Investments will be made principally in smaller companies in Europe, excluding the UK. The Fund will also be permitted to invest in European companies listed on other principal stock exchanges.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	30 November
Half-Yearly Accounting Date	31 May
Income Allocation Date	31 January
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Schroder Gilt & Fixed Interest Fund

Investment Objective

The Fund's investment objective is to achieve a high level of income with the potential for capital growth, from investment in a diversified portfolio of sterling denominated fixed interest securities.

Investments will include British and other government securities, corporate obligations, Eurobonds, local authority loans, money market deposits and other sterling denominated fixed interest securities.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	£1,000 (or £50 per month under regular savings plan)
Minimum Subsequent Investment	£500
Minimum Holding	£1,000
Annual Management Charge	0.50%
Initial Charge	3.25%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 August
Half-Yearly Accounting Date	28 February
Income Allocation Dates	31 October and 30 April
Profile of a Typical Investor	The Fund is a low risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are seeking to combine income with some capital growth opportunities in the relative stability of the debt markets over the long term. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Annual Management Charge Being Charged Wholly to Capital	As a result of the annual management fee being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.

Schroder Global Alpha Plus Fund

Investment Objective

The Fund's investment objective is to provide capital growth through investment in equities and securities of companies worldwide. In order to achieve the objective the Manager will invest in a select portfolio of securities which it believes offers potential for future growth and shall not be restricted by size, sector or region.

Investment will be primarily in transferable securities. The Fund may also invest in a wide range of investments including collective investment schemes, cash, deposits, derivatives, warrants and money market instruments.

Further Information

The Fund can use derivatives for specific investment purposes but currently does not. If the Manager decides to use derivatives this way, this may result in a more volatile Unit price and so result in a higher degree of market risk, therefore the Manager will give registered Unitholders appropriate notice if it decides to do so.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 March
Half-Yearly Accounting Date	15 September
Income Allocation Date	15 May
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the fund's Key Investor Information Document before investing.

Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Concentrated Portfolio Risk	This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.
Emerging Markets Risk	<p>The Fund will invest a portion of its assets in the securities of companies incorporated in or operating in emerging markets and investors should be aware of the risks noted below in relation to the Fund's emerging market allocation.</p> <ul style="list-style-type: none"> a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the securities markets and participants in those markets g) Political uncertainty

Schroder Global Climate Change Fund

Investment Objective

To provide capital growth primarily through investment in equities and securities of worldwide issuers which will benefit from efforts to accommodate or limit the impact of global climate change.

Investment will be primarily in directly held transferable securities. The Fund may also invest in collective investment schemes, cash, deposits, derivatives, warrants and money market instruments.

Further Information

The Fund can use derivatives for specific investment purposes but currently does not. If the Manager decides to use derivatives this way, this may result in a more volatile Unit price and so result in a higher degree of market risk, therefore the Manager will give registered Unitholders appropriate notice if it decides to do so.

Classes of Units	A Accumulation and A Income I Accumulation Z Accumulation
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) I Accumulation £25,000,000 Z Accumulation £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 I Accumulation £10,000,000 Z Accumulation £100,000
Minimum Holding	A Accumulation and A Income £1,000 I Accumulation £25,000,000 Z Accumulation £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% I Accumulation 0.75% Z Accumulation 0.75%
Initial Charge	A Accumulation and A Income 3.25% I Accumulation 10.00% Z Accumulation 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 February
Half-Yearly Accounting Date	15 August

Income Allocation Date	15 April
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Emerging Markets Risk	<p>The Fund will invest a portion of its assets in the securities of companies incorporated in or operating in emerging markets and investors should be aware of the risks noted below in relation to the Fund's emerging market allocation.</p> <ul style="list-style-type: none"> a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the securities markets and participants in those markets g) Political uncertainty

Schroder Global Emerging Markets Fund

Investment Objective

The Fund's investment objective is to achieve long term capital growth by investing in the emerging markets of the world.

The Fund will invest in equity or equity-related securities (including warrants and convertible securities) and fixed interest securities which provide exposure to emerging markets.

The portfolio may also include shares in investment trusts and other closed end funds which are themselves dedicated to investment in emerging markets, as well as in securities of companies which, whilst listed on eligible stock exchanges, conduct a significant proportion of their business in emerging market countries and may, therefore, be expected to participate in their growth.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 March
Half-Yearly Accounting Date	30 September
Income Allocation Date	31 May
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in

	Appendix II and the fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Emerging Markets Risk	<p>Substantially all the Fund's assets will, in normal circumstances, be invested in the securities of companies incorporated in or operating in emerging markets. The Fund will therefore be subject, to a much greater degree than funds investing in Europe, North America, or other developed markets, to a number of risk factors including:</p> <ul style="list-style-type: none"> a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the securities markets and participants in those markets g) Political uncertainty <p>Because of the limited forward market for the purchase of sterling in most, if not all, emerging markets and the limited circumstances in which the Fund expects to hedge against declines in the value of foreign currencies generally, the Fund will be adversely affected by devaluations in such currencies against sterling to the extent that the Fund is invested in securities denominated in currencies experiencing a devaluation. In addition, accounting, auditing and financial reporting standards in many emerging markets are different from UK standards. As a result, certain material disclosures may not be made and less information may be available to the Fund and other investors than would be the case if the Fund's investments were restricted to securities in developed markets.</p> <p>Whilst the Manager believes that the Fund offers potential for enhanced capital appreciation, no assurance can be given that this objective will be achieved. Potential investors who are in any doubt as to the risks involved in investment in the Fund should obtain their own financial advice.</p>

Schroder Global Equity Income Fund

Investment Objective

The Fund's investment objective is to provide income and capital growth for investors over the long term primarily through investment in equity and equity-related securities of companies worldwide which offer attractive yields and sustainable dividend payments.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 July
Half-Yearly Accounting Date	15 January
Income Allocation Dates	15 March and 15 September
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
All Charges Being Charged	As a result of all charges being charged wholly to capital, the

Wholly to Capital	distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
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Schroder Global Property Income Maximiser

Investment Objective

The Fund's investment objective is to provide income with potential for capital growth primarily through investment in real estate investment trusts, equity and equity-related securities and debt securities of property companies worldwide.

Investment Policy

In order to generate additional income, the Manager may selectively sell short dated call options over securities or portfolios of securities held by the Fund, or indices, by setting individual target 'strike' prices at which those securities may be sold in the future.

The Manager is also permitted to sell put options on securities or portfolios of securities which are not held by the Fund, or indices, at target prices that are pre-set below the current market level. The Manager may also, for the purpose of efficient management, use derivative instruments which replicate the performance of a basket of short dated call options or a combination of equity securities and short dated call options.

Investment will primarily be in directly held transferable securities. The Fund may also invest in collective investment schemes, cash, deposits, warrants, money market instruments and derivatives. In particular, the Fund may buy or sell over-the-counter and exchange-traded derivatives, and enter into total returns swaps. The Fund will use derivative instruments for investment purposes as well as for efficient management.

Further Information

The Fund aims to deliver a target yield of 7% per year*. The target yield of 7% is not guaranteed and could change according to prevailing market conditions. The Manager will notify Unitholders if the target yield changes.

** The yield is the simple sum of the four percentage quarterly distributions that comprise the fund year, each calculated by dividing the quarterly distribution amount by the Unit price at the start of that quarter.*

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50%

	Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser / Sub-Investment Adviser	Schroder Investment Management Limited / European Investors Inc.
Initial Offer Details	Initial offer period: 14 February 2011 Launch date: 18 February 2011 End of initial offer period 12:00 p.m. 18 February 2011 Initial offer price: 50p (A and Z Units) Monies received during the initial offer period will be invested from 18 February 2011. Units in the Fund from these monies will be issued on 18 February 2011.
Annual Accounting Date	30 April
Other Accounting Dates	31 July, 31 October and 31 January
Income Allocation Dates	30 June, 30 September, 31 December and 31 March
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
All Charges Being Charged Wholly to Capital	As a result of all charges being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
Emerging Markets Risk	The Fund will invest a portion of its assets in the securities of companies incorporated in or operating in emerging markets and investors should be aware of the risks noted below in relation to the Fund's emerging market allocation. a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the

	<p>securities markets and participants in those markets</p> <p>g) Political uncertainty</p>
Quoted Target Yield is Not Guaranteed	<p>The quoted target yield for this Fund is an estimate and is not guaranteed. It is quoted net of basic rate tax. Higher rate and additional rate taxpayers should note that they may be liable for further deductions.</p>
Sector Specific Fund	<p>This Fund focuses on specific sectors and this can carry more risk than funds spread over a number of different industry sectors.</p>
Use of Covered Call Options for Investment Purposes	<p>This Fund uses derivatives to achieve its investment objective. The way in which derivatives are used will increase the income paid to Unitholders and reduce volatility, but there is the potential that performance or capital value may be eroded.</p>

Schroder Global Property Securities Fund

Investment Objective

To provide a total return primarily through investment in real estate investment trusts, equity and debt securities of other types of property companies worldwide.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, derivatives, cash, deposits, warrants and money market instruments.

Further Information

The Fund can use derivatives for specific investment purposes but currently does not. If the Manager decides to use derivatives this way, this may result in a more volatile Unit price and so result in a higher degree of market risk, therefore the Manager will give registered Unitholders appropriate notice if it decides to do so.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	European Investors Inc.
Annual Accounting Date	20 September
Half-Yearly Accounting Date	20 March
Income Allocation Date	20 November
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the fund's Key Investor Information Document before investing.

Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Concentrated Portfolio Risk	This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.
Sector Specific Fund	This Fund focuses on specific sectors and this can carry more risk than funds spread over a number of different industry sectors.

Schroder Income Fund

Investment Objective

The Fund's investment objective is to provide a growing income, predominantly from investment in UK equities.

In seeking a yield higher than that offered by the major UK equity indices, the Fund will invest primarily in above-average yielding equities rather than fixed interest securities.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	25 February
Half-Yearly Accounting Date	25 August
Income Allocation Dates	25 April and 25 October
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.

Annual Management Charge Being Charged Wholly to Capital	As a result of the annual management fee being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
Concentrated Portfolio Risk	This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.

Schroder Income Maximiser

Investment Objective

The Fund's investment objective is to provide income with potential for capital growth primarily through investment in equity and equity-related securities of UK companies. The Fund will also use derivative instruments to generate additional income.

The Manager may selectively sell short dated call options over securities or portfolios of securities held by the Fund or indices, in order to generate additional income by setting target 'strike' prices at which those securities may be sold in the future. The Manager is also permitted to sell put options on securities or portfolios of securities which are not held by the Fund, or indices, at target prices that are pre-set below the current market level. The Manager may also, for the purpose of efficient management, use derivative instruments which replicate the performance of a basket of short dated call options or a combination of equity securities and short dated call options.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, derivatives, cash, deposits, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 August
Other Accounting Dates	30 November, 28 February and 31 May
Income Allocation Dates	31 October, 31 January, 30 April and 31 July
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are more concerned with achieving a higher income through investment in high yield equity securities. Investors should regard their investment as medium to long-term and should read the risk

	warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
All Charges Being Charged Wholly to Capital	As a result of all charges being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
Concentrated Portfolio Risk	This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.
Quoted Target Yield is Not Guaranteed	The quoted target yield for this Fund is an estimate and is not guaranteed. It is quoted net of basic rate tax. Higher rate and additional rate taxpayers should note that they may be liable for further deductions.
Use of Covered Call Options for Investment Purposes	This Fund uses derivatives to achieve its investment objective. The way in which derivatives are used will increase the income paid to Unitholders and reduce volatility, but there is the potential that performance or capital value may be eroded.

Schroder Japan Alpha Plus Fund

Investment Objective

The Fund's investment objective is to achieve total return through investment in Japanese and other companies.

The emphasis of the Fund will be investment in Japanese companies. The Fund may also invest in companies headquartered or quoted outside Japan where those companies have material or critical operations within, or derive significant business from, Japan.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management (Japan) Limited
Annual Accounting Date	31 May
Half-Yearly Accounting Date	30 November
Income Allocation Date	31 July
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth potential. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.

Concentrated Portfolio Risk	This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.
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Schroder Managed Wealth Portfolio

Investment Objective

The Fund's investment objective is to provide a total return primarily through investment in collective investment schemes as well as directly held transferable securities, derivatives, cash, deposits, warrants and money market instruments. The Fund may also gain exposure to alternatives including hedge funds, private equity and property through investment in transferable securities which themselves invest in these asset classes.

Classes of Units	A Accumulation and A Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	£1,000
Minimum Subsequent Investment	£500
Minimum Holding	£1,000
Annual Management Charge	1.50%
Initial Charge	3.25%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 January
Half-Yearly Accounting Date	31 July
Income Allocation Date	31 March
Profile of a Typical Investor	The Fund is a medium risk fund aiming to provide capital growth with some income potential through investment in a selection of Schroders' and other fund managers' collective investment schemes. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Concentrated Portfolio Risk	This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.

Schroder Medical Discovery Fund

Investment Objective

The Fund's investment objective is to achieve capital growth.

The Fund will invest in healthcare, medical services and related products and companies on a world wide basis.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 August
Half-Yearly Accounting Date	15 February
Income Allocation Date	15 October
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Emerging Markets Risk	The Fund will invest a portion of its assets in the securities of

	<p>companies incorporated in or operating in emerging markets and investors should be aware of the risks noted below in relation to the Fund's emerging market allocation.</p> <ul style="list-style-type: none"> a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the securities markets and participants in those markets g) Political uncertainty
<p>Sector Specific Fund</p>	<p>This Fund focuses on specific sectors and this can carry more risk than funds spread over a number of different industry sectors.</p>

Schroder Monthly High Income Fund

Investment Objective

The Fund's investment objective is to achieve a high level of income from a diversified portfolio of debt securities. The full spectrum of available securities, including unrated issues and those of non-investment grade, will be utilised.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.25% Z Accumulation and Z Income 0.60%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	27 July
Other Accounting Dates	27 January, 27 February, 27 March, 27 April, 27 May, 27 June, 27 August, 27 September, 27 October, 27 November, 27 December
Income Allocation Dates	25 September, 25 March, 25 April, 25 May, 25 June, 25 July, 25 August, 25 October, 25 November, 25 December, 25 January and 25 February
Profile of a Typical Investor	The Fund is a low-medium risk fund aiming to provide income with some capital growth potential. It may be suitable for investors who are seeking to combine income with some capital growth opportunities in the relative stability of the debt markets over the long term. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.

Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Annual Management Charge Being Charged Wholly to Capital	As a result of the annual management fee being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
Emerging Markets Risk	<p>The Fund will invest a portion of its assets in the securities of companies incorporated in or operating in emerging markets and investors should be aware of the risks noted below in relation to the Fund's emerging market allocation.</p> <ul style="list-style-type: none"> a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the securities markets and participants in those markets g) Political uncertainty

Schroder Recovery Fund

Investment Objective

The Fund's investment objective is to achieve capital growth for investors through investment in companies that have suffered a severe setback.

The Fund invests primarily in UK quoted shares. The investments are selected from those companies that have suffered a severe setback in terms of profits or share prices, but where the management and the prospects are believed to be good.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, derivatives, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 July
Half-Yearly Accounting Date	15 January
Income Allocation Date	15 September
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Schroder Secure-Distribution 2032 Fund

Investment Objective

The Fund aims to provide capital growth. The Fund is designed to pay protected capital drawdown distributions from July 2022 to June 2032 ("Capital Drawdown Phase") of at least 7.5% per year of the highest price per unit that the Fund achieves from July 2012 to June 2022 ("Capital Accumulation Phase"). The Fund also aims to make a final capital payment at the end of its life in 2032. The amount of this final payment (if any) depends on the Fund's performance and is not protected.

Investment Policy

The Fund is subject to a rules-based investment strategy which allocates the Fund's exposure between actively managed "growth assets" and "defensive assets". There will typically be an increasing allocation to growth assets when markets are rising and a decreasing allocation when they are falling.

The growth assets provide an actively managed exposure to different asset classes, which may be in any country and industry, and could include equity, currencies, bonds and funds, as well as alternative asset classes including but not limited to property, commodities, hedge funds and private equity.

The defensive assets provide exposure to deposits and/or bonds.

The Fund intends to obtain its exposure to the growth assets and defensive assets through financial derivative contracts with one or more major banks. The bank(s) commits to pay the Fund amounts collectively equal to the protected capital drawdown distributions in full, even if the performance of the investment strategy turns out to be insufficient to support these distributions. The bank(s) will also pay the Fund the final payment, if there is any.

Further Information

- During the Capital Drawdown Phase (i.e. from 2022 to 2032), the Manager will compulsorily redeem Units to meet the capital drawdown distributions, which will be a minimum of 7.5% p.a. of the maximum net asset value per Unit achieved during the Capital Accumulation Phase. This will be paid quarterly.
- The amount of your investment is not protected, and the sum of all capital drawdown distributions of the Fund may be less than the amount you invest.
- At the end of the Capital Drawdown Phase, the residual assets of the Fund, if any, will be paid out as a final capital payment via the redemption of all outstanding Units.
- If investors redeem their Units before the end of the Fund's life, investors will receive the net asset value of their Units, which may be less than their original investment(s) and may also be less than the aggregate outstanding minimum protected capital drawdown distributions which would otherwise have been due.
- In the event that the Fund is substantially exposed to the defensive assets (typically representing around 95% of net asset value of the Fund), the Manager may reduce the allocation to growth assets to zero, and there will be no future allocation to the growth assets. This is called 'Monetisation' and can occur at any time during the life of the Fund. The Manager will notify Unitholders in this event, and the Manager will not accept any further subscriptions. Unitholders will no longer participate in further market returns of the growth assets.
- The Manager reserves the right to terminate the Fund without a Unitholder vote in the event that the net asset value of the Fund is lower than £50m on the second anniversary of launch, or any time thereafter during the Capital Accumulation Phase. In this case investors will receive the net asset value of their Units, which may be less than their original investment(s) and may also be less than the aggregate minimum protected capital drawdown distributions which would otherwise have been due.

Classes of Units	A Accumulation Z Accumulation
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily (subscriptions and redemptions) during the Capital Accumulation Phase and daily redemptions only (no subscriptions) during the Capital Drawdown Phase In the event of monetisation, no further subscriptions will be accepted.
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation £1,000 (or £50 per month under regular savings plan) Z Accumulation £3,000,000
Minimum Subsequent Investment	A Accumulation £500 Z Accumulation £100,000
Minimum Holding	A Accumulation £1,000 Z Accumulation £3,000,000
Annual Management Charge	A Accumulation 1.50% (pre-monetisation) A Accumulation 1.05% (post-monetisation) Z Accumulation 0.75%(pre-monetisation) Z Accumulation 0.30%(post-monetisation)
Initial Charge	A Accumulation up to 3.25% Z Accumulation 0%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	30 June
Half-Yearly Accounting Date	31 December
Income Allocation Date	31 August
Capital Drawdown Distributions	From 2022 (the “Capital Accumulation Phase”): 6 October, 6 January, 6 April, 6 July
Fund Tenure	20 years from 2 July 2012 to 30 June 2032
Capital Drawdown Dates	Quarterly between 6 October 2022 – 6 July 2032
Profile of a typical investor	The Fund may be suitable for investors who are seeking an investment solution that combines potential capital growth from 2012 to 2022 and regular capital drawdown distributions from 2022 to 2032. Investors should regard their investment as long-term for the duration of the Fund and should read the risk warnings set out in Appendix II Risks of Investment and the Fund's Key Investor Information Document before investing.
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Asset allocation within the	The growth portion of the Fund will provide exposure to a range

<p>growth assets</p>	<p>of assets, including but not limited to equities, currencies, bonds and funds, as well as alternative asset classes including but not limited to property, commodities, hedge funds and private equity. Some of these asset classes are more volatile than traditional equities and bonds and price swings may therefore be larger. Please refer to Appendix II General Risks for more information on the risks associated with these types of asset classes.</p>
<p>Bank failure and insufficient collateral risk</p>	<p>To safeguard the value of their payment commitments to the Fund against the event of a bank counterparty failing, the bank counterparty/ies is/are required to transfer to the Fund a diversified pool of high quality bonds (including but not limited to government bonds from the UK, the USA, Canada, France, Germany and Japan).</p> <p>If the bank does fail, the Manager will use its discretion, (as it sees appropriate according to the circumstances at the time), to reallocate the assets of the fund to another suitable counterparty. However if the value of the bonds the counterparty has transferred to the Fund is insufficient to re establish the financial derivative contract on the same terms with another suitable counterparty, then it may not be possible for the Fund to deliver the protected capital drawdown distributions in full and any final capital payment as if the failure had not occurred.</p> <p>The bank's commitments are not guaranteed by any other party.</p>
<p>Customised index</p>	<p>The Manager may seek exposure to the growth assets via a customised multi-asset index. The calculation, publication and dissemination of the index and the level of the index will continue until the product matures or monetises.</p>
<p>Fund closure and early exit</p>	<p>The Fund can be closed, and your Units compulsorily repurchased, without a Unitholder vote if the assets of the Fund are lower than £50m on the second anniversary of launch, or any time thereafter during the Capital Accumulation Phase. If this occurs, or if you sell your Units before the end of the life of the Fund, you may get back less than the amount you initially invested. The amount you get back may also be less than the sum of any capital drawdown distributions you otherwise would have received.</p>
<p>Reduction in exposure to growth asset and/or monetisation</p>	<p>After a significant or prolonged decline in the growth assets and/or a significant or prolonged increase in the cost of providing the protected capital drawdown distributions, the exposure to the growth assets may be reduced to such an extent that the Fund will not participate meaningfully in any subsequent recovery of the growth assets.</p> <p>If the Fund is substantially exposed to the defensive assets (typically representing around 95% of the net asset value of the Fund), the Manager may reduce the allocation to the growth assets to zero, and there will be no future allocation to the growth assets. This is called monetisation and can occur at any time during the life of the Fund. The Manager will notify Unitholders in this event. This will not affect the Fund's ability to pay the capital drawdown distributions.</p>
<p>Tax and regulatory environment</p>	<p>It is expected that, under current tax legislation, the Fund's capital drawdown distributions will be treated as individual partial redemptions from the Fund that will be liable solely to capital gains tax or corporation tax under the usual rules for disposals of</p>

	<p>securities and units in collective investment schemes. However, Unitholders should be aware that tax legislation can change from time to time, sometimes with retrospective effect, and we cannot guarantee that the tax treatment of capital drawdown distributions will be as currently described. The general tax and regulatory environment may also change during the life of the Fund. An increase in the Fund's tax liabilities may affect the Fund's ability to achieve its investment objective of providing regular capital drawdown distributions.</p>
Your investment is not protected	<p>The amount of your investment is not protected, and the sum of all capital drawdown distributions of the Fund may be less than the amount you invest.</p> <p>The capital drawdown distributions, on the other hand, are protected by the commitment of the bank counterparty/ies to pay to the Fund amounts, at the relevant times, collectively equal to the capital drawdown distributions due, (even if the performance of the investment strategy turns out to be insufficient to support these distributions). The final capital payment is not protected.</p>

Schroder Small Cap Discovery Fund

Investment Objective

To achieve capital growth.

The Fund will invest in smaller companies in the Asia (ex Japan) region and in selected emerging markets. It will also invest in smaller companies that may be listed and/or domiciled outside Asia/emerging markets, but which derive a significant portion of their business or growth from these regions.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, derivatives, cash, deposits, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12.00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 April
Half-Yearly Accounting Date	15 October
Income Allocation Date	15 June
Profile of a Typical investor	The Fund may be suitable for investors who are seeking long-term returns offered through investment in equities. Investors should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Emerging Markets Risk	The Fund will invest a portion of its assets in the securities of companies incorporated in or operating in emerging markets and

	<p>investors should be aware of the risks noted below in relation to the Fund's emerging market allocation.</p> <ul style="list-style-type: none">a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterlingb) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities marketsc) Currency devaluations and other currency exchange rate fluctuationsd) More substantial government intervention in the economye) Higher rates of inflationf) Less government supervision and regulation of the securities markets and participants in those marketsg) Political uncertainty
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Schroder Strategic Bond Fund

Investment Objective

The Fund's investment objective is to achieve a total return.

The Fund will invest in a portfolio of debt securities and other fixed and floating rate securities denominated in various currencies issued by governments, government agencies, supra-national and corporate issuers worldwide. The Fund may also invest in asset backed securities and mortgage backed securities.

Derivative instruments may also be used to take long or short exposures to credit markets, interest rates, foreign exchange currency contracts and to various sectors within these markets.

The full spectrum of available securities, including non-investment grade, may be utilised. The Fund may also invest in collective investment schemes, cash, deposits, warrants and money market instruments for defensive purposes.

Classes of Units	A Accumulation and A Income L Accumulation and L Income X Income (Gross Quarterly) Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) L Accumulation and L Income £25,000,000 X Income (Gross Quarterly) £25,000,000 Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 L Accumulation and L Income £10,000,000 X Income (Gross Quarterly) £10,000,000 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 L Accumulation and L Income £25,000,000 X Income (Gross Quarterly) £25,000,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.25% L Accumulation and L Income 0.50% X Income (Gross Quarterly) 0.00% Z Accumulation and Z Income 0.60%
Initial Charge	A Accumulation and A Income 3.25% L Accumulation and L Income 0.00%

	X Income (Gross Quarterly) 10.00% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	15 June
Other Accounting Dates	X Income (Gross Quarterly): 15 September, 15 December, 15 March All other units: 15 December
Income Allocation Date	X Income (Gross Quarterly): 15 August, 15 November, 15 February, 15 May All other units: 15 August and 15 February
Profile of a Typical Investor	The Fund aims to provide income with some capital growth potential. It may be suitable for investors who are seeking to combine income with some capital growth opportunities in the relative stability of the debt markets over the long term. Investors should be aware that the fund's value may be adversely affected in the short term in some market environments and should regard their investment as medium to long-term. Investors should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Global Risk Exposure	The Fund may use derivative instruments for efficient management and for specific investment purposes. The Fund employs the absolute Value-at-Risk (VaR) approach to measure its global risk exposure.
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Annual Management Charge Being Charged Wholly to Capital	As a result of the annual management fee being charged wholly to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income will result in an increase in Unitholder's personal income tax liability.
Emerging Markets Risk	The Fund will invest a portion of its assets in the securities of companies incorporated in or operating in emerging markets and investors should be aware of the risks noted below in relation to the Fund's emerging market allocation. <ul style="list-style-type: none"> a) Controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for sterling b) Greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets c) Currency devaluations and other currency exchange rate fluctuations d) More substantial government intervention in the economy e) Higher rates of inflation f) Less government supervision and regulation of the securities markets and participants in those markets g) Political uncertainty

Schroder Tokyo Fund

Investment Objective

The Fund's investment objective is to achieve capital appreciation through participation in the growth of the Japanese economy.

Investment will be based primarily on Japan's economic strengths, such as its manufacturing industry (in particular on those parts of it that are demonstrating an ability to exploit newly emerging technology) and on sectors benefiting from structural change in the economy.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	28 February
Half-Yearly Accounting Date	31 August
Income Allocation Date	30 April
Profile of a Typical Investor	The Fund is a medium risk fund aiming to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in equities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Schroder UK Alpha Plus Fund

Investment Objective

The Fund's investment objective is to provide capital growth through investment in UK and other companies. In order to achieve the objective the Manager will invest in a focussed portfolio of securities.

The emphasis of the Fund will be investment in UK companies. The Fund may also invest in companies headquartered or quoted outside the UK where those companies have material or critical operations within, or derive significant business from, the UK. Fixed interest securities may be included in the portfolio.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 May
Half-Yearly Accounting Date	30 November
Income Allocation Date	31 July
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.
Concentrated Portfolio Risk	This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.

Schroder UK Core Fund

Investment Objective

The Fund's investment objective is to achieve capital growth primarily through investment in UK equities.

The Fund may also invest in a wide range of investments including other transferable securities, derivatives, cash, deposits, collective investment schemes, warrants and money market instruments.

Further Information

The Fund can use derivatives for specific investment purposes but currently does not. If the Manager decides to use derivatives this way, this may result in a more volatile Unit price and so result in a higher degree of market risk, therefore the Manager will give registered Unitholders appropriate notice if it decides to do so.

Classes of Units	A Accumulation and A Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	£1,000 (or £50 per month under regular savings plan)
Minimum Subsequent Investment	£500
Minimum Holding	£1,000
Annual Management Charge	A Accumulation and A Income 0.35%
Initial Charge	0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	28 February
Half-Yearly Accounting Date	31 August
Income Allocation Dates	30 April
Profile of a Typical Investor	The Fund is a medium risk fund aiming to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in equities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Schroder UK Equity Fund

Investment Objective

The Fund's investment objective is to achieve capital growth through investment in UK equities. However, attention will be paid to maintaining a steady growth in income distribution.

Investment will be in a balanced portfolio of good quality companies structured to produce a higher immediate income than is obtainable from funds concentrating entirely on capital growth.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income I Accumulation and I Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) I Accumulation and I Income £25,000,000 Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 I Accumulation and I Income £10,000,000 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 I Accumulation and I Income £25,000,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% All other units 0.75%
Initial Charge	A Accumulation and A Income 3.25% I Accumulation and I Income 10.00% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	20 June
Half-Yearly Accounting Date	20 December
Income Allocation Dates	20 August and 20 February
Profile of a Typical Investor	The Fund is a medium risk fund aiming to provide capital growth. It may be suitable for investors who are seeking long-term returns offered through investment in equities. Investors should

	regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Schroder UK Mid 250 Fund

Investment Objective

The Fund's investment objective is to achieve long term capital growth by investing principally in companies listed in the FTSE 250 Index.

The Fund will invest principally in equities of companies whose shares are listed in the FT-SE 250 Ex- Investment Companies Index. However, the Fund may also hold former components of, or expected entrants into, that index if in the opinion of the Manager it may be advantageous to do so.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 July
Half-Yearly Accounting Date	31 January
Income Allocation Date	30 September
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Schroder UK Smaller Companies Fund

Investment Objective

The Fund's investment objective is to aim to achieve capital growth by investing in UK smaller companies. The policy is to invest in smaller companies in the UK which are expected to exhibit superior growth over the long term.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management Limited
Annual Accounting Date	31 May
Half-Yearly Accounting Date	30 November
Income Allocation Date	31 July
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Schroder US Alpha Plus Fund

Investment Objective

The Fund's investment objective is to provide capital growth through investment in US companies. In order to achieve the objective the Manager will invest in a focussed portfolio of securities.

The emphasis of the Fund will be investment in US companies. The Fund may also invest in Canadian companies, and other companies headquartered or quoted outside the US where those companies have material or critical operations within, or derive significant business from, the US.

Investment will be primarily in transferable securities. The Fund may also invest in collective investment schemes, cash, deposits, derivatives, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management North America Inc
Annual Accounting Date	15 May
Half-Yearly Accounting Date	15 November
Income Allocation Date	15 July
Profile of a Typical Investor	The Fund may be suitable for investors who are seeking long-term returns offered through investment in equities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix II.

Concentrated Portfolio Risk	<p>This Fund invests in a smaller than usual number of stocks and can invest heavily in specific types of companies, sectors or regions. A fund which invests in a smaller number of stocks may fluctuate more in value than a fund that invests in a larger number of stocks as the portfolio is more concentrated and less diversified. Stock selection will drive portfolio construction, which may result in significant biases at both a sector and regional level.</p>
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Schroder US Mid Cap Fund

Investment Objective

The Fund's investment objective is to provide capital growth and income primarily through investment in equity securities of medium-sized US companies.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management North America Inc
Annual Accounting Date	31 May
Half-Yearly Accounting Date	30 November
Income Allocation Date	31 July
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth with some income potential. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Schroder US Smaller Companies Fund

Investment Objective

The Fund's investment objective is to achieve capital appreciation through investment in US smaller companies.

The Fund will invest in the securities of smaller companies listed on the principal stock exchanges in North America, including Canada, together with those that are traded on the over-the-counter market.

Investment will be in directly held transferable securities. The Fund may also invest in collective investment schemes, warrants and money market instruments.

Classes of Units	A Accumulation and A Income Z Accumulation and Z Income
Base Currency	GBP (£)
Valuation Point	12:00 p.m.
Dealing Frequency	Daily
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day
Minimum Initial Investment	A Accumulation and A Income £1,000 (or £50 per month under regular savings plan) Z Accumulation and Z Income £3,000,000
Minimum Subsequent Investment	A Accumulation and A Income £500 Z Accumulation and Z Income £100,000
Minimum Holding	A Accumulation and A Income £1,000 Z Accumulation and Z Income £3,000,000
Annual Management Charge	A Accumulation and A Income 1.50% Z Accumulation and Z Income 0.75%
Initial Charge	A Accumulation and A Income 3.25% Z Accumulation and Z Income 0.00%
Investment Adviser	Schroder Investment Management North America Inc
Annual Accounting Date	30 April
Half-Yearly Accounting Date	31 October
Income Allocation Date	30 June
Profile of a Typical Investor	The Fund is a higher risk fund aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. Investors should regard their investment as medium to long-term and should read the risk warnings set out in Appendix II and the Fund's Key Investor Information Document before investing.
Stock lending	Permitted

Appendix IV Eligible Markets List

In order to qualify as an approved security, the market upon which securities traded must meet certain criteria as laid down in COLL.

Eligible Markets generally include any market established in a member state of the European Union or the European Economic Area (“an EEA State”) on which transferable securities admitted to official listing in the member state are dealt in or traded.

In the case of all other markets, in order to qualify as an eligible market, the Manager, after consultation with the Trustee, must be satisfied that the relevant market;

- a) is regulated;
- b) operates regularly;
- c) is recognised; and
- d) is open to the public.

The Manager, after consultation with the Trustee, has decided that the following securities exchanges are eligible markets in the context of the investment policy of the Funds.

Regional	
Europe	Those markets established in a member state excluding UK, Bulgaria, Cyprus, Malta and Romania, on which transferable securities admitted to official listing in a member state are dealt in or traded.
Country	
Australia	Australian Securities Exchange
Brazil	BM&FBOVESPA and Bolsa De Valores De Rio de Janerio
Canada	Toronto Stock Exchange and TSX Venture Exchange
Hong Kong	Hong Kong Stock Exchange and GEM (Growth Enterprise Market)
India	Bombay (Mumbai) Stock Exchange and National Stock Exchange
Indonesia	Indonesian Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	The stock exchanges in Fukuoka, Nagoya, Sapporo, Osaka and Tokyo, JASDAQ and Tokyo Stock Exchange Mothers Market
Korea	Korea Exchange and KOSDAQ
Malaysia	Bursa Malaysia
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange

Country	
Switzerland	SIX Swiss Exchange including the former exchange SWX Europe
Taiwan	Taiwan Stock Exchange and Taiwan GreTai Securities Market
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
UK	Those markets established in the UK on which transferable securities admitted to official listing in the UK are dealt in or traded, including LSE and AIM
USA	<ul style="list-style-type: none"> a) NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc) b) Any exchange registered with the Securities and Exchange Commission as a national stock exchange including Chicago Stock Exchange, NASDAQ OMX BX, NASDAQ OMX PHLX, National Stock Exchange, NYSE Euronext, NYSE Amex and NYSE Arca c) The market in transferable securities issued by or on behalf of the Government of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers d) The Over-the-Counter Market regulated by the National Association of Securities Dealers Inc
Derivatives	
Australia	ASX Trade24
Belgium	NYSE Euronext Brussels
Brazil	BM&FBOVESPA
Canada	Montreal Exchange
Columbia	Bolsa De Valores (BVC)
France	NYSE Euronext, Paris
Germany	Eurex
Hong Kong	Hong Kong Futures Exchange
Italy	Borsa Italiana (Italian Dervatives Market)
Japan	JASDAQ, Osaka Stock Exchange, Tokyo Stock Exchange, Tokyo Financial Exchange
Korea	Korea Exchange
Mexico	Mercado Mexicano de Derivados
Netherlands	NYSE Euronext, Amsterdam
Poland	Warsaw Stock Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange
Spain	MEFF Renta Variable (Madrid)
Sweden	Nasdaq OMX, Stockholm and NASDAQ OMX Nordic
Switzerland	Eurex
Taiwan	Taiwan Futures Exchange
Turkey	Turkish Derivatives Exchange
UK	LIFFE
USA	CME Group (including Chicago Board of Trade (CBOT), Chicago Mercantile Exchange (CME), COMEX, New York Mercantile Exchange (NYMEX)), Chicago Board Options Exchange (CBOE), CBOE Futures Exchange (CFE), ICE Futures US Inc, NASDAQ OMX Futures Exchange (NFX), NYSE LIFFE US

Appendix V Determination of Net Asset Value

The Schroder Asian Income Maximiser, Schroder Global Alpha Plus Fund, Schroder Global Climate Change Fund, Schroder Global Equity Income Fund, Schroder Global Property Income Maximiser, Schroder Global Property Securities Fund, Schroder Secure-Distribution 2032 Fund, Schroder Small Cap Discovery Fund, Schroder Strategic Bond Fund, Schroder UK Core Fund and Schroder US Alpha Plus Fund are single priced schemes as at the date of this prospectus. All other funds are dual priced.

A single priced scheme has a single price for buying and selling Units on any Business Day (the “Mid Market Value”) and may be subject to the imposition of a dilution adjustment after which the price to be applied is known as the “Dealing Price”.

A dual priced scheme has one price at which the investor buys (the “Buying Price”) and another (lower) price at which an investor can sell Units (the “Selling Price”).

Units will be bought or sold on a forward price basis being the price calculated at the next valuation following receipt of investors’ instructions by the Managers.

1 Determination of Net Asset Value for single priced schemes

1.1 Calculation of Mid Market Value

The value of the property of the Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

- a) All the property of the Fund (including receivables) is to be included, subject to the following provisions.
- b) Property which is not cash (or other assets dealt with in paragraph c) below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - (i) Units or shares in a collective investment scheme:
 - if a single price for buying and selling Units or shares is quoted, at that price; or
 - if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increase by any exit or redemption charge attributable thereto; or
 - if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
 - (ii) any other transferable security:
 - if a single price for buying and selling the security is quoted, at that price; or
 - if separate buying and selling prices are quoted, at the average of the two prices; or
 - if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
 - (iii) property other than that described in (i) and (ii) above, at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.
- c) Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.

- d) Property which is a contingent liability transaction shall be treated as follows:
- if a written option, (and the premium for writing the option has become part of the scheme property), deduct the amount of the net valuation of premium receivable. If the property is an off exchange derivative the method of valuation shall be agreed between the Manager and the Trustee;
 - if an off exchange future, include at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee;
 - if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off exchange derivative, the method of valuation shall be agreed between the Manager and the Trustee.
- e) In determining the value of the scheme property, all instructions given to issue or cancel Units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- f) Subject to paragraphs g) and h) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
- g) Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph f) above.
- h) All agreements are to be included under paragraph f) above which are, or ought reasonably to have been, known to the person valuing the property.
- i) Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax.
- j) Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day to day.
- k) Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- l) Add an estimated amount for accrued claims for tax of whatever nature which may reasonably be expected to be recoverable.
- m) Add any other credits or amounts due to be paid into the property of the Fund.
- n) Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- o) Currencies or values in currencies other than Base Currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

1.2 Dilution

For single priced schemes, the actual cost of purchasing or selling the Fund's investments may be higher or lower than the Mid Market Value used in calculating the Unit price – for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Unitholders' interest in the Fund, this is known as 'dilution'.

1.2.1 Dilution Adjustment and Large Deals

To mitigate the effects of dilution the Manager has the discretion to make a dilution adjustment on the sale or redemption of Units to adjust the price.

The need to make a dilution adjustment will depend on the volume of sales or redemptions of Units. The Manager may make a discretionary dilution adjustment if, in its opinion, the existing (for net purchases) or remaining Unitholders (for net redemptions) might otherwise be adversely affected. The Manager therefore reserves the right to make a dilution adjustment in the following circumstances:

- a) where the Fund is in continual decline (is suffering a net outflow of investment);
- b) on the Fund experiencing large levels of net sales relative to its size;
- c) on the Fund experiencing net sales or net redemptions on any day equivalent to a threshold of 1% or more of the size of that Fund;
- d) in any other case where the Manager is of the opinion that the interests of existing or continuing Unitholders and potential investors, require the imposition of a dilution adjustment.

Where a dilution adjustment is made, it will typically increase the dealing price when there are net inflows into the Fund and decrease the dealing price when there are net outflows. The dealing price of each class of Unit in the Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the price of Units of each class identically.

On the occasions when the dilution adjustment is not made there may be an adverse impact on the total assets of the Fund.

As dilution is related to the inflows and outflows of money from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Manager will need to make such a dilution adjustment. In the usual course of business, the application of a dilution adjustment will be triggered mechanically and on a consistent basis.

Because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions, this means that the amount of the dilution adjustment can vary over time.

Estimates of the dilution adjustments for each Fund are set out in paragraph 1.2.2 below based on the securities held in each fund and market conditions at the time of publication of the prospectus.

1.2.2 Estimated Dilution Adjustments

	Estimated Dilution Adjustment applicable to purchases	Estimated Dilution Adjustment applicable to redemption
Schroder Asian Income Maximiser	0.37%	0.42%
Schroder Global Alpha Plus Fund	0.22%	0.16%
Schroder Global Climate Change Fund	0.28%	0.21%
Schroder Global Property Income Maximiser	0.28%	0.18%
Schroder Global Equity Income Fund	0.26%	0.17%
Schroder Global Property Securities Fund	0.31%	0.25%
Schroder Secure-Distribution 2032 Fund*	0.25%	0.25%
Schroder Small Cap Discovery Fund*	0.74%	0.60%
Schroder Strategic Bond Fund*	0.60%	0.60%
Schroder UK Core Fund	0.60%	0.17%
Schroder US Alpha Plus Fund	0.07%	0.10%

* As this is a new fund, the dilution adjustments are only estimates based on **future projections** and may be higher or lower once the Fund is launched and is in actual operation.

2 Determination of Net Asset Value for dual priced schemes

The value of the property of the Scheme shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

a) All the property of the Scheme (including receivables) is to be included, subject to the following provisions.

b) The valuation of the property of the Scheme shall consist of two parts, one on a buying basis and one on a selling basis calculated in accordance with the following provisions.

2.1 The valuation of property for such part of the valuation which is made on a buying basis is as follows:

Property which is not cash (or other assets dealt with in sub-paragraphs 2.2 c) and 2.2 d) below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

a) Units or shares in a collective investment scheme:

- if a single price for buying and selling Units or shares is quoted, at that price plus any dealing costs (such as fiscal charges, commission, preliminary charge, dilution levy or SDRT provision) payable less any discounts receivable that could reasonably be expected in the event of the Scheme carrying out the transaction in question; or
- if separate buying and selling prices are quoted, at the mid price where the buying and selling prices include any dealing costs (such as fiscal charges, commission, preliminary charge, dilution levy or SDRT provision) payable and any discounts receivable plus a dealing spread, which reflects the difference between the mid price and the transaction price, that could reasonably be expected in the event of the Scheme carrying out the transaction in question; or
- if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;

b) any other investment:

- the market mid price on the most appropriate market in a standard size plus any dealing costs (such as fiscal charges and commission) payable and any discounts receivable plus a dealing spread, which reflects the difference between the mid price and the transaction price, that could reasonably be expected in the event of the Scheme carrying out the transaction in question; or
- if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable;

2.2 The valuation of property for such part of the valuation which is on a selling basis is as follows:

Property which is not cash (or other assets dealt with in sub-paragraphs c) and d) below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

a) Units or shares in a collective investment scheme:

- if a single price for buying and selling Units or shares is quoted, at that price less any dealing costs (such as fiscal charges, commission, redemption charge, dilution levy or SDRT

provision) payable plus any discount receivable which could reasonably be expected in the event of the Scheme carrying out the transaction in question; or

- if separate buying and selling prices are quoted, at the mid price where the buying and selling prices include any dealing costs (such as fiscal charges, commission, redemption charge, dilution levy or SDRT provision) payable and any discounts receivable less a dealing spread, which reflects the difference between the mid price and the transaction price, that could reasonably be expected in the event of the Scheme carrying out the transaction in question; or
- if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;

b) any other investment:

- the market mid price on the most appropriate market in a standard size less any dealing costs (such as fiscal charges and commission) payable and any discount receivable less a dealing spread, which reflects the difference between the mid price and the transaction price, that could reasonably be expected in the event of the Scheme carrying out the transaction in question; or
- if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a seller's price which, in the opinion of the Manager, is fair and reasonable;

c) Cash and amounts held in current and deposit accounts shall be valued at their nominal values.

d) Property which is a derivative transaction shall be treated as follows:

- if a written option, (and the premium for writing the option has become part of the scheme property) deduct the amount of the net valuation of premium (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, but (in the case of the calculation of the issue basis) deduct and (in the case of the calculation of the cancellation basis) add, dealing costs); but if it is an OTC derivative, the valuation methods in COLL 5.2.23C R shall be used; or
- if an off exchange future, include at the net value of closing out (in the case of the calculation of the issue basis, estimated on the basis of the amount of profit or loss receivable or incurable by the Scheme on closing out the contract and deducting minimum dealing costs in the case of profit and adding them in the case of loss; but if it is an OTC derivative, the valuation methods in COLL 5.2.23C R shall be used); or
- if any other form of derivative transaction, include at the net value of margin on closing out (estimated on the basis of the amount of margin (whether receivable or payable by the Scheme on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded and including minimum dealing costs so that the value is the figure as a negative sum); but if it is an OTC derivative, the valuation methods in COLL 5.2.23C R shall be used.

e) In determining the value of the scheme property, all instructions given to issue or cancel Units shall be assumed (unless the contrary is shown) to have been carried out and any cash paid or received and all consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.

f) Subject to paragraphs g) and h) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken

into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.

- g) Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph f).
- h) All agreements are to be included under paragraph f) which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
- i) Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
- j) Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day to day.
- k) Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- l) In the case of a margined contract, deduct any amount reasonably anticipated to be paid by way of variation margin.
- m) Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- n) Add any other credits or amounts due to be paid into the property of the Scheme.
- o) In the case of a margined contract, add any amount reasonably anticipated to be received by way of variation margin.
- p) Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- q) Currencies or values in currencies other than Base Currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

Large deal exception

The Manager considers that any instruction to deal in respect of Units exceeding £50,000 in value, when dealing on an issue basis, may elect to take the cancellation price rather than the prevailing bid price.

3 Switching between schemes

A Unitholder may switch his interest as follows:

- a) from a single priced scheme to another single priced scheme
- b) from a dual priced scheme to another dual priced scheme
- c) from a single priced scheme to a dual priced scheme and
- d) from a dual priced scheme to a single priced scheme

3.1 Determination of value where an interest is switched

3.1.1 The calculation of value where the Unitholder is switching from a single priced scheme to another single priced scheme is as follows:

The sale value of the investment in the single priced scheme will be the Dealing Price of the fund which the Unitholder is exiting and the purchase price of the single priced scheme will be the Dealing Price of the new fund. Any initial charge for the purchase transaction will be waived in these circumstances.

3.1.2 The calculation of value where the Unitholder is switching from a dual priced scheme to another dual priced scheme is as follows:

The sale value of the investment in the dual priced scheme will be the Selling Price and the purchase price of the dual priced scheme, in which the new investment will be made, will be the Buying Price. Any initial charge for the purchase transaction will be waived in these circumstances.

3.1.3 The calculation of value where the Unitholder is switching from a single priced scheme to a dual priced scheme is as follows:

The sale value of the investment in the single priced scheme will be the Dealing Price and the purchase price of the dual priced scheme will be the Buying Price. Any initial charge for the purchase transaction will be waived in these circumstances.

3.1.4 The calculation of value where the Unitholder is switching from a dual priced scheme to a single priced scheme is as follows:

The sale value of the investment in a dual priced scheme will be the Selling Price and the purchase price of the single priced scheme will be the Dealing Price. Any initial charge in respect of the purchase transaction will be waived in these circumstances.

Appendix VI Other Collective Investment Schemes managed by the Manager

The Manager is also the manager of the following authorised unit trust schemes:

- Schroder All Maturities Corporate Bond Fund
- Schroder All Maturities Index Linked Bond Fund
- Schroder Asian Alpha Plus Fund
- Schroder Diversified Growth Fund
- Schroder Dynamic Multi Asset Fund
- Schroder European Fund
- Schroder Global Asset Allocation Fund
- Schroder Institutional Global Equity Fund
- Schroder Institutional Growth Fund
- Schroder Institutional Index Linked Bond Fund
- Schroder Institutional International Bond Fund
- Schroder Institutional Long Dated Sterling Bond Fund
- Schroder Institutional Pacific Fund
- Schroder Institutional Sterling Bond Fund
- Schroder Institutional UK Smaller Companies Fund
- Schroder Long Dated Corporate Bond Fund
- Schroder Managed Balanced Fund
- Schroder Multi-Manager Cautious Managed Fund
- Schroder Multi-Manager High Alpha Fund
- Schroder Multi-Manager Strategic Balanced Fund
- Schroder Prime UK Equity Fund
- Schroder QEP Global Active Value Fund
- Schroder QEP Global Core Fund
- Schroder QEP US Core Fund
- Schroder Specialist Value UK Equity Fund
- Schroder Sterling Broad Market Bond Fund

Appendix VII Performance Details

The historical performance¹ of each Fund is as follows:

Past performance is not necessarily a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

	2011%	2010%	2009%	2008%	2007%
Schroder Absolute Return Bond Fund*	-2.9	7.0	9.4	-3.0	3.7
Schroder Asian Income Fund	-9.0	28.6	49.0	-22.8	20.9
Schroder Asian Income Maximiser	-8.0	-	-	-	-
Schroder Corporate Bond Fund	-4.6	3.9	19.2	-5.9	0.2
Schroder European Alpha Plus Fund	-14.2	13.5	18.0	-20.6	7.7
Schroder European Smaller Companies Fund	-23.5	21.0	33.5	-30.7	4.1
Schroder Gilt and Fixed Interest Fund	12.8	4.9	-1.7	10.4	3.8
Schroder Global Alpha Plus Fund	-13.3	-	-	-	-
Schroder Global Climate Change Fund	-12.1	8.9	30.1	-22.7	-
Schroder Global Emerging Markets Fund	-16.9	22.6	58.8	-34.3	38.4
Schroder Global Equity Income Fund	-2.6	11.8	16.9	-18.9	-
Schroder Global Property Income Maximiser	4.2	-	-	-	-
Schroder Global Property Securities Fund	-7.1	19.6	27.6	-28.0	-11.4
Schroder Income Fund	-8.3	8.2	35.9	-23.3	1.0
Schroder Income Maximiser	-9.5	8.8	29.9	-22.3	3.8
Schroder Japan Alpha Plus Fund	-9.7	26.4	9.7	-11.0	-7.9
Schroder Managed Wealth Portfolio	-2.2	12.4	17.7	-22.6	3.3
Schroder Medical Discovery Fund	7.1	4.8	15.8	3.2	3.4
Schroder Monthly High Income Fund	-11.1	9.4	50.3	-21.8	-1.9
Schroder Recovery Fund	-14.1	15.7	49.6	-27.2	-3.6
Schroder Secure-Distribution 2032 Fund**	-	-	-	-	-
Schroder Small Cap Discovery Fund**	-	-	-	-	-
Schroder Strategic Bond Fund**	-	-	-	-	-
Schroder Tokyo Fund	-7.4	21.2	-2.6	2.4	-8.2
Schroder UK Alpha Plus Fund	-9.9	21.2	50.2	-36.5	6.8
Schroder UK Core Fund	-1.6	-	-	-	-
Schroder UK Equity Fund	-7.8	20.7	34.8	-32.5	3.7
Schroder UK Mid 250 Fund	-14.9	22.0	39.0	-41.3	-7.8
Schroder UK Smaller Companies Fund	-9.0	39.1	44.0	-42.8	-11.1
Schroder US Alpha Plus Fund**	-	-	-	-	-
Schroder US Mid Cap Fund	-2.0	21.8	23.4	-9.9	10.0
Schroder US Smaller Companies Fund	-4.6	25.4	24.1	-12.2	8.6

¹ Source: Schroders

* With effect from 13 June 2011, Schroder Strategic Bond Fund changed its name to Schroder Absolute Return Bond Fund and changed its investment objective. A new fund named Schroder Strategic Bond Fund was launched on 27 March 2012.

** Past performance is not currently available as the Fund has not been in operation for a full year.