

Schroders

Fund Update

Schroder Alternative Solutions Gold & Precious Metals Fund*

Fund overview:

The fund aims to give investors diversified exposure to gold and precious metals via investments in gold and precious metals futures, swaps, ETFs and precious metal related equities.

For clients wishing to have an exposure to gold, the fund can be considered as a more attractive vehicle compared to single physically backed ETFs. In addition we would regard the fund as being complementary to gold mining funds, which have significant equity market risk and a lower correlation to the gold price. Although index-unconstrained, the fund is a beta or beta plus product with the return objective of outperforming with lower volatility a benchmark comprising of 75% Gold Spot price and 25% NYSE Arca Gold Bugs Equity Index.

Performance

US\$ A Shares Net %	October 2011	Sept 2011	August 2011	July 2011	June 2011	*May 2011	Since Inception* Cumulative Total Return
Schroder AS Gold & Precious Metals	6.23	-13.33	11.40	6.68	-2.42	-2.29	4.33
75% Gold Spot/25% NYSE Arca Gold Bugs Equity Index	6.09	-11.30	11.63	7.43	-3.13	-0.08	9.23

Source: Schroders

* Inception 3 May 2011

Metals Review

During the month of October gold rose by 5.6%, accumulating a positive return of 26% year to date. We believe the main driver of this move was expectations of further liquidity injections in developed countries, designed to mitigate slow growth and the ongoing debt crisis. Following the Bank of England's second round of quantitative easing a month ago, the ECB's new President took markets by surprise this week by lowering interest rates, as well as by delivering dovish comments. Although the US might wait until early 2012 to implement QE3, Bernanke's last speech pointed out that further stimulus remains on the table.

Another driver relates to the Bank of Japan's decision to intervene in their currency, in order to stop further appreciation. With neither the Yen nor the Swiss Franc wanting to claim the title of safe haven, gold is stepping forward once again. Therefore, despite potential volatility and corrections in the gold price, we have the view that, what with the current uncertainty in the markets, owning gold provides one of the few insurances available for investors.

Gold equities were up 7.6% during October. Interestingly, October was the first month since March, to show gold equities with a positive outperformance versus the metal itself. Companies' results did not bring major surprises, though they have displayed clear evidence that the profit margins are outstanding. Also, companies have announced dividend payments which as a group are up 75% YoY (though still low they continue to grow). Dividends/income together with operational leverage is one of the competitive advantages gold producers have when compared to a gold ETF.

Gold equities have been trading sideways over the last year, while the gold price reached new highs. Given our fundamental conviction, if we see gold equities indices, such as the NYSE Arca Gold Bugs, breaking through the channel we will be adding more equity positions.

* Schroder Alternative Solutions is referred to as Schroder AS throughout this document



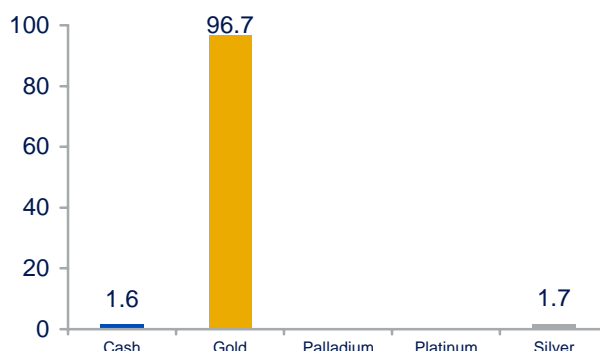
Asset Allocation as at 31 October 2011

Holdings as at 31 October 2011

Futures	30.1
Equities	25.4
ETFs	42.9
Cash	1.6

Source: Schroders

Sector Allocation as at 31 October 2011 %



Risk Warnings:

Indirect investment in commodities may cause the fund to face market risk from the value of the underlying asset together with geopolitical, supply, currency exchange rate and interest rate risks. Important Information: Schroder Alternative Solutions (the "Company") may not be sold in the United States nor to Citizens or residents of the United States.

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