

Schroder S\$ Reserve Fund

Prospectus

Dated: 1 June 2012
Valid till: 28 July 2012



Schroders

This Prospectus dated 1 June 2012 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act, Chapter 289 of Singapore and replaces the previous prospectus registered by the Monetary Authority of Singapore on 29 July 2011, as amended by the supplementary prospectus dated 16 September 2011.

SCHRODER S\$ RESERVE FUND

Directory

Manager

Schroder Investment Management (Singapore) Ltd
Registered and operating address:
65 Chulia Street #46-00
OCBC Centre
Singapore 049513
(Company Registration Number: 199201080H)

Directors of the Manager

Susan Soh Shin Yann
Tham Ee Mern Lilian
Tan Jui Tong
Gwee Siew Ping

Trustee

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320
(Company Registration Number: 194900022R)

Auditors

PricewaterhouseCoopers LLP
8 Cross Street #17-00
PWC Building
Singapore 048424

Solicitors to the Manager

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Solicitors to the Trustee

Shook Lin & Bok LLP
1 Robinson Road #18-00
AIA Tower
Singapore 048542

SCHRODER S\$ RESERVE FUND

Important Information

The manager of the Schroder S\$ Reserve Fund (the “**Fund**”), Schroder Investment Management (Singapore) Ltd (the “**Manager**”), accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, this Prospectus contains all information with respect to the Fund which is material in the context of the offer of units in the Fund (“**Units**”) in this Prospectus and the statements contained in this Prospectus are in every material respect true and accurate and not misleading and there are no facts the omission of which would make any statement in this Prospectus misleading.

Investors should refer to the relevant provisions of the trust deed (as amended or supplemented) relating to the Fund (the “**Deed**”) and obtain professional advice in the event of any doubt or ambiguity relating thereto. A copy of the Deed is available for inspection at the Manager’s office at all times during usual business hours (subject to such reasonable restrictions as the Manager may impose). All capitalised terms and expressions used in this Prospectus shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units as contemplated herein. **To reflect material changes, this Prospectus may be updated, amended, supplemented or replaced from time to time and investors should investigate whether any more recent Prospectus is available.**

Investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements; and (c) any foreign exchange transactions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to them. Investors should carefully consider the risks of investing in the Fund which are set out in paragraph 9 of this Prospectus.

No application has been made for the Units to be listed on any stock exchange. There is no secondary market for the Fund. Units can be purchased from or sold through the Manager or any agent or distributor appointed by the Manager, subject to the ultimate discretion of the Manager in respect of the purchase, sale, switching, conversion or redemption of Units in accordance with the provisions of the Deed.

As the Fund is not registered under the United States Securities Act of 1933 (the “**Securities Act**”) or under the securities laws of any state of the United States of America (“**US**”), the Fund may not be offered or sold to or for the account of any US Person (as defined in Rule 902 of Regulation S under the Securities Act).

Rule 902 of Regulation S under the Securities Act defines a US Person to include, inter alia, any natural person resident in the US and with regard 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.

No person, other than the Manager, has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Manager.

All enquiries in relation to the Fund should be directed to the Manager, Schroder Investment Management (Singapore) Ltd, or any agent or distributor appointed by the Manager.

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SCHRODER S\$ RESERVE FUND

The Schroder S\$ Reserve Fund offered in this Prospectus is an authorised scheme under the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. This Prospectus has been prepared in accordance with the requirements of the SFA. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Schroder S\$ Reserve Fund. The meaning of terms not defined in this Prospectus can be found in the deed of trust (as may be amended or supplemented) constituting the Schroder S\$ Reserve Fund.

1. BASIC INFORMATION

1.1 Name of Fund

This Prospectus is in relation to the fund known as the Schroder S\$ Reserve Fund (the “Fund”). The Fund is a Singapore constituted stand-alone open-ended unit trust.

1.2 Date of registration and expiry date of Prospectus

This Prospectus is a replacement prospectus lodged with the Authority on 1 June 2012. It replaces the prospectus that was registered by the Authority on 29 July 2011, as amended by the supplementary prospectus dated 16 September 2011, and shall be valid for 12 months after the date of registration (i.e., up to and including 28 July 2012) and shall expire on 29 July 2012.

1.3 Deed of Trust and Supplemental Deeds

1.3.1 The Fund is constituted as a unit trust by way of a deed of trust dated 25 September 2001 (the “**Deed of Trust**”) between Schroder Investment Management (Singapore) Ltd (the “**Manager**”) and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”), as supplemented by the following supplemental and amendment deeds:-

- (i) the First Supplemental Deed dated 26 September 2002;
- (ii) the First Amendment Deed dated 1 July 2003;
- (iii) the Second Amendment Deed dated 24 September 2004;
- (iv) the Third Amendment Deed dated 23 September 2005;
- (v) the Fourth Amendment Deed dated 1 July 2008;
- (vi) the Fifth Amendment Deed dated 31 July 2009;
- (vii) the Sixth Amendment Deed dated 30 July 2010;
- (viii) the Seventh Amendment Deed dated 29 July 2011;
- (ix) the Eighth Amendment Deed dated 16 September 2011; and
- (x) the Ninth Amendment Deed dated 1 June 2012.

The Deed of Trust as modified by the Supplemental Deeds and the Amendment Deeds listed above is hereinafter referred to as the “**Deed**”.

1.3.2 A copy of the Deed is available for inspection at the office of the Manager at 65 Chulia Street, #46-00, OCBC Centre, Singapore 049513 at all times during usual business hours (subject to such reasonable restrictions as the Manager may impose) and shall be supplied by the Manager to any person on application at a charge of S\$50 per copy of the document (or such other amount as the Trustee and the Manager may from time to time agree in writing), such charge being payable to the Manager.

1.3.3 The terms and conditions of the Deed shall be binding on each unitholder (each a “**Holder**” and collectively the “**Holders**”) and persons claiming through such Holder as if such Holder had been a party to the Deed.

1.4 Accounts and Reports

A copy of the latest semi-annual and annual reports, semi-annual accounts and the audited annual accounts of the Fund as well as the report of the auditors may be obtained from the Manager at 65 Chulia Street, #46-00, OCBC Centre, Singapore 049513. Please refer to paragraph 17 of this Prospectus for details of the accounts and reports of the Fund.

2. THE MANAGER

2.1 Name and address of the Manager

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd whose registered office is at 65 Chulia Street, #46-00, OCBC Centre, Singapore 049513.

2.2 Track record of the Manager

The Manager was incorporated in Singapore in 1992 and has been managing collective investment schemes and discretionary funds in Singapore since 1992.

The Manager is part of the Schroder group (“**Schroders**”). Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s. Schroders is a leading global asset management company, whose history dates back over 200 years. The group’s holding company, Schroders Plc, is and has been listed on the London Stock Exchange since 1959.

Schroders aims to apply its specialist asset management skills in serving the needs of its clients worldwide, through its large network of offices and over 300 portfolio managers and analysts covering the world’s investment markets.

Investors should note that the past performance of the Manager is not necessarily indicative of its future performance.

3. THE TRUSTEE AND CUSTODIAN

The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited whose registered office is at 21 Collyer Quay, #14-01, HSBC Building, Singapore 049320. The custodian of the Fund is The Hongkong and Shanghai Banking Corporation Limited.

4. THE REGISTRAR

The registrar for the Fund is Schroder Investment Management (Luxembourg) S.A. (“**SIMLUX**”). SIMLUX has in turn delegated its duties in relation to the register of Holders (the “**Register**”) to Schroder Investment Management (Hong Kong) Limited. The Register may be inspected at 65 Chulia Street, #46-00 OCBC Centre, Singapore 049513 during usual business hours subject to such reasonable closure of the Register and such restrictions as the Manager or the Trustee may impose.

The Register is conclusive evidence of the number of Units held by each Holder.

5. THE AUDITORS

The auditors of the Fund are PricewaterhouseCoopers LLP whose registered office is at 8 Cross Street, #17-00, PWC Building, Singapore 048424.

6. STRUCTURE OF THE FUND

The Fund is a stand-alone open-ended unit trust and has no fixed duration.

Classes of Units

The Manager may establish classes of Units (“**Classes**”) within the Fund. Different Classes within the Fund have different features. Where a new Class is established, the Manager may, at its discretion and with prior notification to the Trustee, re-designate any existing Class as long as there is no prejudice to existing Holders of such Class.

The Manager is currently offering 1 Class of Units in the Fund, namely Class A Units.

7. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

7.1 Investment Objective / Product Suitability

The investment objective of the Fund is to invest primarily in Singapore Dollar (“**SGD**”) denominated money market instruments and debt securities to achieve a return in line with the 1 month Singapore Dollar Interbank Bid Rate (“**SIBID**”) whilst managing liquidity and risk to preserve capital.

The Fund is suitable for investors who seek a liquid and lower volatility vehicle investing in short-term instruments but will typically yield a lower return due to the short-term and higher credit quality nature of its investments.

Investors should consult their financial advisers if in doubt as to whether the Fund is suitable for them.

7.2 Investment Focus and Approach

The investment focus and approach of the Fund is to invest in SGD denominated money market instruments and debt securities which include bank certificates of deposit, fixed deposits, money market securities, Singapore government and statutory board securities and corporate bonds. Except for securities explicitly guaranteed by the Singapore government, short-term ratings of securities will be at least "A1" by Standard and Poor's or "P1" by Moody's or be of an equivalent rating. However, the Fund may invest in debt securities issued by Singapore incorporated issuers that are not rated.

7.3 Authorised Investments

7.3.1 Subject to the investment objective of the Fund, the authorised investments of the Fund ("**Authorised Investments**") are subject to the provisions of the Code, any of the following investments:

- (i) any Quoted Investment¹ which is selected by the Manager for the purpose of investment of the Deposited Property²; or
- (ii) any Investment in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange³ and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Manager and the Trustee) or in respect of which the Manager is satisfied that the subscription or other transactions will be cancelled if the application is refused; or
- (iii) any Unquoted Investment⁴ which is selected by the Manager for the purpose of investment of the Deposited Property; or
- (iv) any Investment denominated in any currency; or
- (v) any Investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme; or
- (vi) any Investment which is a future, option, forward, swap, collar, floor or other derivative; or
- (vii) the currency of any country or any contract for the spot purchase or sale of any such currency, any foreign exchange transaction or any forward contract of such currency; or
- (viii) any Investment which is not covered by sub-paragraphs (i) to (vii) of this paragraph but is selected by the Manager for the purpose of investment of the Deposited Property of the Fund and approved by the Trustee.

7.3.2 The investment and borrowing restrictions of Appendix 1 of the Code on Collective Investment Schemes issued by the Authority (which may be amended, modified or supplemented from time to time) (the "**Code**") shall apply to the Fund.

7.3.3 The Fund currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code.

¹ "**Quoted Investment**" means any Investment which is quoted, dealt with or listed or in respect of which permission to deal is effective on a Recognised Stock Exchange.

² "**Deposited Property**" means all the assets (cash and other property) for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the Distribution Account referred to in Clause 11 of the Deed.

³ "**Recognised Stock Exchange**" means any stock exchange, futures exchange or commodities exchange and in relation to any particular Investment shall be deemed to include any responsible market maker and authorised dealer in the market in which the Investment is traded and any over-the-counter or electronic or telephone market of repute and any responsible firm, corporation or association in any part of the world dealing in the Investment and any responsible mutual fund or subsidiary thereof or unit trust scheme issuing and redeeming participations or Units (as the case may be) so as to provide in the opinion of the Manager with the approval of the Trustee a satisfactory market for the Investment and in such a case the Investment shall be deemed to be the subject of an effective permission to deal or listing on a Recognised Stock Exchange deemed to be constituted by such person, firm, corporation, association, mutual fund, subsidiary thereof or unit trust scheme.

⁴ "**Unquoted Investment**" means any Investment which is not quoted, listed or dealt in on any Recognised Stock Exchange.

8. FEES & CHARGES

The following tables set out the fees and charges payable by a Holder or payable out of the Fund to the Manager or the Trustee.

Fees payable by a Holder	
	Class A Units
Preliminary charge*	Currently 0%, Maximum 3%
Realisation charge	Currently 0%, Maximum 2%

Fees deducted from the assets of the Fund	
	Class A Units
Annual management fee	Currently 0.25%, Maximum 1%
Annual trustee fee	Currently not more than 0.05% (currently not subject to any minimum amount) Maximum 0.25% (Subject to a minimum of S\$7,500 per annum)

* The preliminary charge is paid to the distributor and/or the Manager.

Some distributors may charge other fees which are not listed in this Prospectus, and investors should check with the relevant distributor on whether there are any other fees payable to the distributor.

9. RISKS

9.1 General risks

- 9.1.1** Investments in the Fund are subject to different degrees of market, derivatives, interest rate, credit, equity, foreign securities, currency and industry risks.
- 9.1.2** Investments in the Fund are designed to produce returns over the specified term and are not suitable for short-term speculation. Investors should not expect to obtain short-term gains from such investment.
- 9.1.3** Investors should be aware that the price of Units in the Fund, and the income from them, if any, may fall or rise. Investors may not get back their original investment.

9.2. Specific risks

9.2.1 Market risk in Singapore

The value of investments by the Fund may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

9.2.2 Derivatives risk

The Fund may invest in financial derivative instruments for the purposes of hedging and/or efficient portfolio management. Where such financial derivatives are financial derivatives on commodities, such transactions shall be settled in cash at all times. The Fund's use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The Fund's ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the derivatives do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used the derivatives. However, the Fund does not typically use derivatives in its strategy. If the Fund invests in over-the-counter (OTC) derivatives, there is increased risk that a counterparty may fail to honour its contract. In some instances, the use of the above-mentioned instruments may have the effect of leveraging the Fund. Leveraging adds increased risks because losses may be out of proportion to the amount invested on the instrument. These instruments are highly volatile instruments and their market values may be subject to wide fluctuations. Derivatives transactions will not be used for speculation or leverage. In the event that such instruments are used, the Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and they are of the view that they have the necessary expertise and experience to manage and contain such investment risks. The global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code. Investments in derivatives are monitored and controlled by the Manager with daily mark-to-market

valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions set out in the Deed with regard to derivatives.

The Schroder group, being the group of companies to which the Manager belongs, has established a Group Derivatives Committee (the “**Committee**”) which assumes responsibility for identifying and overseeing the management of the key operational risks faced by the Schroder group from the use of derivatives. The Committee also approves, communicates and assesses the adequacy and effectiveness of the derivative risk management framework, and will escalate significant issues relating to derivatives to key stakeholders.

The Committee reviews and approves funds using derivatives and new derivative instruments to ensure that the key operational risks have been identified and mitigated before the launch of the fund or execution of the instrument, and is responsible for the policy on new instruments. After approval by the Committee, new derivative instruments are recorded in a derivative-instruments register. This process is designed to ensure that new derivative instruments are assessed prior to investment by the funds to ensure that the Manager has the appropriate processes and controls in place to mitigate operational, investment and credit risks.

The Manager’s fund managers have primary responsibility for ensuring that derivative transactions are consistent with the investment objective of a fund. Derivative positions are monitored to ensure that derivative usage is consistent with a fund’s investment objectives and in line with the way a fund is offered. Funds are categorised by their performance/risk profiles and risk-related parameters are set for each fund category. The risk-related parameters are monitored by independent product managers, assisted by an investment risk team, and exceptions are investigated and resolved.

The Manager’s fund managers are required to liaise with the risk or compliance team to agree on how the derivative investments should be monitored and to clarify any uncertainty in relation to the interpretation of rules or monitoring requirements prior to investing or as soon as the uncertainty arises. The risk or compliance team is responsible for performing independent compliance monitoring of investment restrictions. The risk or compliance team ensures that the fund managers are made aware of changes to regulations, including those in relation to derivatives usage. The Manager has a system in place to monitor investment restrictions. Where the system does not have the capability to monitor a particular instrument or restriction, the monitoring process is supplemented either by in-house or external systems and/or manual processes.

9.2.3 Interest rate risk

Investments in bonds, debentures, loan stocks, convertibles and other debt securities may decline in value if interest rates change. In general, the prices of debt securities rise when interest rates fall, and fall when interest rates rise.

9.2.4 Credit risk

The Fund is subject to the risk that some issuers of debt securities and other investments made by the Fund may not make payments on such obligations, or an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of the Fund. A change in the quality rating of a security can also affect the security’s liquidity and make it more difficult to sell.

9.2.5 Foreign securities risk

The Fund may invest in securities throughout the world that are subject to numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental laws or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to those applicable to companies in the investor’s domicile. In addition, securities of companies or governments of some countries may be illiquid and their prices volatile and, with respect to certain countries, the possibility exists of expropriation, nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds or other assets, including withholding of dividends. Some of the Fund’s securities may be subject to government taxes that could reduce the yield on such securities, and fluctuations in foreign currency exchange rates may affect the value of securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The Manager does not hedge the foreign currency exposure of the Fund.

9.2.6 Currency risks

The assets and liabilities of the Fund may be denominated in currencies different to the Base Currency⁵ or offering currency and the Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such Base Currency or offering currency and other currencies. If the currency in which a security is denominated appreciates against the Base Currency or offering currency, the value of the security would increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security. The Base Currency of the Fund is SGD.

The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Fund.

10. SUBSCRIPTION OF UNITS

10.1 Subscription procedure

Investors may apply for Units from the Manager or its appointed distributors using cash or Supplementary Retirement Scheme (“SRS”) Contributions⁶.

For subscriptions using cash, investors must complete the application form provided by the Manager or any distributors appointed by the Manager. All applications must be accompanied with a cheque for the application monies.

For subscriptions using SRS Contributions, investors must complete the application form provided by the Manager or any distributors appointed by the Manager. The Manager will obtain the subscription monies from an investor’s account maintained with the relevant SRS Operator⁷ in respect of subscriptions using SRS Contributions.

10.2 Cancellation Procedure

Subject to the provisions of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form provided together with the application form for Units, every Holder shall have the right by notice in writing delivered to the Manager or its appointed distributors to cancel his subscription for Units within 7 calendar days (or such longer period as may be agreed between the Manager and the Trustee) from the date of his initial subscription. However, he will have to take the risk for any price changes in the net asset value (“NAV”) of the Fund since the time of his subscription. *Investors should refer to the terms and conditions for cancellation of subscription attached to the cancellation form before purchasing Units in the Fund.*

10.3 Minimum initial subscription amount and minimum subsequent subscription amount

Class A Units

MINIMUM INITIAL SUBSCRIPTION AMOUNT	S\$1,000
MINIMUM SUBSEQUENT SUBSCRIPTION AMOUNT	S\$1,000

10.4 Dealing Deadline and pricing basis

The dealing deadline in relation to the issuance and realisation of Units on any Dealing Day, is 5 p.m. Singapore time on that Dealing Day (the “**Dealing Deadline**”) or such other time on or prior to such Dealing Day as the Manager may from time to time determine with the approval of the Trustee.

The dealing day in connection with the issuance and realisation of Units (the “**Dealing Day**”), is such Business Day or Business Days or such other day or days at such intervals as the Manager may from time to time determine provided that reasonable notice of any such determination shall be given by the Manager to all the Holders at such time and in such manner as the Trustee may approve.

“**Business Day**” in relation to the Fund, means any day (other than a Saturday or Sunday or a public holiday) on which banks in Singapore or any other place or places determined by the Manager (with prior notice to the Trustee) are open for business or any other day as the Manager and the Trustee may agree in writing.

⁵ “**Base Currency**” means the currency in which the Fund is denominated as the Manager may determine from time to time upon giving prior written notice to the Trustee or the Holders if so required by the Trustee.

⁶ “**SRS Contributions**” means monies withdrawn from an investor’s SRS Account. “**SRS Account**” means an account opened by an investor with an SRS Operator for the purposes of investment under the SRS.

⁷ “**SRS Operator**” means the relevant bank appointed by the Ministry of Finance from time to time to operate SRS Accounts.

Hence, if you purchase Units on or before 5 p.m. on a Dealing Day, the price you pay will be based on the NAV of the Fund at the close of that Dealing Day. If you purchase Units after 5 p.m., the price you pay will be based on the NAV at the close of the next Dealing Day.

Units are priced on a forward basis. Therefore, the Issue Price⁸ for Units cannot be calculated at the time of application. The Issue Price per Unit of the Fund shall be ascertained in accordance with Clause 7(B) of the Deed and rounded to the nearest 2 decimal places (or such other manner of rounding and to such other number of decimal places as may from time to time be determined by the Manager after consulting the Trustee).

10.5 Numerical example

The following example shows how the number of Units allotted to an investor of the Fund is derived. The number of Units an investor will receive at a notional Issue Price of S\$1.00 with an investment of S\$1,000 for Class A Units will be calculated as follows:-

Class A Units

S\$1,000	-	(0%	x	S\$1,000)	=	S\$1,000
Gross investment sum		(Preliminary charge*		Gross investment sum)		Net investment sum
S\$1,000	,	S\$1.00	=	1000.00 Units		
Net investment sum		Notional Issue Price#		Number of Units issued		

* The preliminary charge for Class A Units is currently 0%.

Notional Issue Price is used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Fund.

The number of Units to be issued in respect of any application monies paid by an investor would be that number of Units including fractions to be rounded to the nearest 2 decimal places or such number of decimal places or by using such method of calculation as may be determined by the Manager after consulting the Trustee.

10.6 Confirmation of purchase

An investor who invests in the Fund shall be sent a confirmation of his purchase within 10 Business Days from the date of receipt of his application and the application monies by the Manager.

11. REALISATION OF UNITS

11.1 Realisation procedure

Holders who wish to realise their Units may do so on any Dealing Day by submitting a realisation request to the Manager or its appointed agents on or before the Dealing Deadline on that Dealing Day. Realisation of Units shall only be effected on the relevant Dealing Day in respect of a realisation request received by the Manager or its appointed agents on or before the Dealing Deadline in respect of such Dealing Day.

11.2 Minimum Holding and minimum realisation amount

A Holder shall not be entitled hereunder to realise part only of his holding of Units in relation to the Fund if thereby his holding would be reduced to less than the Minimum Holding⁹ and the following provisions are to be read and construed subject thereto. Unless the Manager in any particular case, or generally otherwise agrees, a Holder shall not be entitled to realise Units other than in amounts of (prior to 1 July 2012) above 10 Units and (with effect from 1 July 2012) at least such number of Units which may be realised for a gross realisation amount of S\$1,000. The Minimum Holding for Class A Units is (prior to 1 July 2012) 100 Units and (with effect from 1 July 2012) S\$1,000.

11.3 Dealing Deadline and pricing basis

11.3.1 Where a realisation request has been received by the Manager or its appointed agents on or before the Dealing Deadline in relation to a particular Dealing Day, that request shall be taken to have been received on that Dealing Day. Where a realisation request has been received by the Manager or its appointed agents after the Dealing Deadline in relation to a particular Dealing Day or at any time on a day which is not a Dealing Day, that request shall be taken to have been received before the Dealing Deadline in relation to the next Dealing Day.

⁸ "Issue Price" means the Issue Price per Unit referred to in Clause 7(B) of the Deed.

⁹ "Minimum Holding" means such number or value of Units as the Manager in any particular case or generally from time to time prescribe as the minimum number or value of Units which may be held by any Holder upon giving prior notice to the Trustee and relevant notice to the Holders.

11.3.2 Hence, if you realise Units on or before 5 p.m. on a Dealing Day, you will be paid a price based on the NAV of the Fund at the close of that Dealing Day. If you realise Units after 5 p.m., you will be paid a price based on the NAV at the close of the next Dealing Day.

11.3.3 Units are priced on a forward basis. Therefore, the Realisation Price¹⁰ cannot be calculated at the time of request. The Realisation Price per Unit of the Fund shall be ascertained in accordance with Clause 9(D) of the Deed and rounded to the nearest 2 decimal places (or such other manner of rounding and to such other number of decimal places as may from time to time be determined by the Manager after consulting the Trustee).

11.4 Numerical example

11.4.1 The following is an example of how the realisation proceeds paid to a Holder is calculated based on a notional Realisation Price of S\$1.10 for Class A Units:-

Class A Units

1000 Units	x	S\$1.10	=	S\$1,100
Number of Units realised		Notional Realisation Price [#]		Gross realisation proceeds
S\$1,100	-	(0% (Realisation charge*)	x	S\$1,100)
Gross realisation proceeds				Net realisation proceeds

* The realisation charge for Class A Units is currently 0%.

[#] Notional Realisation Price is used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Fund.

11.4.2 The net realisation proceeds are calculated by multiplying the number of Units to be realised by the Realisation Price of the Units and deducting any realisation charge and any charge permitted under the Deed.

11.4.3 The Manager shall, on receipt by it or its appointed agents of a realisation request pay or procure to be paid to the Holder or Holders making such request a sum not less than the realisation proceeds calculated in accordance with the Deed within 6 Business Days in Singapore (or such other period as may be permitted by the Authority) from the date of receipt of such realisation request.

12. OBTAINING PRICES OF UNITS

The indicative Issue Price and the indicative Realisation Price of the Fund are published in The Straits Times, The Business Times, Lianhe Zaobao, on the Manager's website at www.schroders.com.sg and are also available from the Manager. The actual Issue Price and Realisation Price are normally published, in the case of the Manager's website, one Business Day and, in the case of any other publications, two Business Days, after the relevant Dealing Day (subject to the publication policies of the relevant publisher).

Investors should note that except for publications of the Manager, the Manager does not accept any responsibility for any errors of the prices published in any publication or for any non-publication of prices by such publisher and shall incur no liability in respect of any action taken or loss suffered by investors in reliance upon such publication.

13. SUSPENSION OF DEALINGS

13.1 Suspension of Issue and Realisation of Units

Subject to the provisions of the Code, the Manager or the Trustee may, with the prior written approval of the other, suspend the issuance and/or realisation of Units in relation to the Fund during:

13.1.1 any period when the Recognised Stock Exchange on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

13.1.2 the existence of any state of affairs which, in the opinion of the Manager and the Trustee might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;

¹⁰ "Realisation Price" means the Realisation Price per Unit referred to in Clause 9(D) of the Deed.

- 13.1.3** any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on that Recognised Stock Exchange or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained;
- 13.1.4** any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Manager and the Trustee, be carried out at normal rates of exchange;
- 13.1.5** if during any particular day the requests for realisation of Units of any Class exceed ten per centum (10%) of the Units of such Class in issue and deemed to be in issue;
- 13.1.6** any period when the dealing of Units is suspended pursuant to any order or direction issued by the relevant authority;
- 13.1.7** any 48-hour period (or such longer period as may be agreed between the Manager and the Trustee) prior to the date of any meeting of Holders of the Fund or a Class (or any adjourned meeting thereof) for the purposes of, inter alia, determining the total number and value of all the Units in issue and reconciling the number of Units stated in the Register;
- 13.1.8** any period when the business operations of the Manager or the Trustee in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- 13.1.9** such circumstances as may be required under the provisions of the Code.
- 13.2** Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Manager (or, as the case may be, to the Manager by the Trustee) and subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which such suspension is authorised under the preceding paragraph shall exist upon the declaration in writing thereof by the Manager (or, as the case may be, the Trustee).
- 13.3** Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Manager and the Trustee so agree, be deferred until immediately after the end of such suspension.
- 13.4** Subject to the provisions of the Code, realisation of Units may also be suspended by the Manager for such reasonable period as may be necessary to effect an orderly realisation of Investments pursuant to Clause 9(D)(ii) of the Deed.

14. PERFORMANCE OF THE FUND

14.1 Past performance of the Fund and its benchmark

The returns of the Fund and its benchmark as of 30 April 2011 are calculated on a NAV-to-NAV basis (taking into account any applicable charges) and are tabled below.

The benchmark against which the performance of the Fund is measured is the 1 month SIBID.

Total Returns

	1 year	3 years	5 years	Since inception ¹¹
Schroder S\$ Reserve Fund	0.27%	1.53%	7.22%	12.80%
1 month SIBID	0.07%	0.70%	5.50%	10.83%

Annualised Returns

	3 years	5 years	Since inception ¹¹
Schroder S\$ Reserve Fund	0.51%	1.40%	1.28%
1 month SIBID	0.23%	1.08%	1.09%

Source: Morningstar; Performance calculated in SGD; on the basis that net dividends are reinvested and taking into account all charges payable upon such reinvestment (if any)

Investors should note that past performance is not necessarily indicative of future performance.

¹¹ The inception date of the Fund is 8 October 2001.

14.2 Expense ratio

The expense ratio of Class A Units for the period from 1 July 2009 to 30 June 2010 is 0.34%. The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios and is based on the figures in the Fund's latest audited accounts from 1 July 2009 to 30 June 2010.

14.3 The following expenses (where applicable) are excluded from the calculation of the expense ratio:-

- 14.3.1** brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- 14.3.2** interest expense arising from bank lending and other loans to the Fund;
- 14.3.3** foreign exchange gains and losses of the Fund, whether realised or unrealised;
- 14.3.4** tax deducted at source or arising on income received including withholding tax;
- 14.3.5** front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund; and
- 14.3.6** dividends and other distributions paid to Holders.

14.4 Turnover ratio

The turnover ratio of the Fund for the period from 1 July 2009 to 30 June 2010 is 128.65% and is calculated based on the lesser of purchases or sales expressed as a percentage over the daily average NAV of the Fund.

15. SOFT DOLLAR COMMISSIONS OR ARRANGEMENTS

15.1 In its management of the Fund, the Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:-

- 15.1.1** research and price information;
- 15.1.2** performance measurement;
- 15.1.3** portfolio valuations; and
- 15.1.4** analysis administration services.

15.2 The Manager may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist the Manager in their management of the Fund (b) best execution is carried out for the transactions and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. The Manager shall not receive goods and services such as travel, accommodation and entertainment.

15.3 The Manager does not and is not entitled to, retain cash rebates for its own account in respect of rebates earned when transacting for account of the Fund.

16. CONFLICTS OF INTEREST

16.1 The Manager may from time to time have to deal with competing or conflicting interests of the Fund with other funds managed by the Manager. For example, the Manager may make a purchase or sale decision on behalf of some or all of the other funds managed by them without making the same decision on behalf of the Fund, as a decision whether or not to make the same investment or sale for the Fund depends on factors such as the cash availability and portfolio balance of the Fund. However, the Manager will use reasonable endeavours at all times to act fairly and in the interests of the Fund. In particular, after taking into account the availability of cash and relevant investment guidelines of the other funds managed by the Manager and the Fund, the Manager will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Fund and the other funds managed by the Manager.

16.2 The factors which the Manager will take into account when determining if there are any conflicts of interest as described in the preceding paragraph include the assets of the Fund, the bonds and the over-the-counter options. To the extent that another fund managed by the Manager intends to purchase substantially similar assets, the Manager will ensure that the assets are allocated fairly and proportionately and that the interests of all Holders are treated equally between the Fund and the other funds.

16.3 The Manager and the Trustee shall conduct all transactions with or for the Fund on an arm's length basis.

16.4 Associates of the Trustee may be engaged to provide financial, banking or brokerage services to the Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services to the Fund, where provided, and such activities with the Trustee, where entered into, will be on an arm's length basis.

17. REPORTS

17.1 The financial year-end of the Fund is 30 June. The semi-annual accounts and semi-annual report covering the period 1 July to 31 December (or such other periods as may be determined by the Authority) will be sent or made available to Holders within 2 months after the end of the period.

17.2 The annual report, annual accounts and the auditors' report on the annual accounts of the Fund will be sent or made available to Holders within 3 months after each financial year-end.

18. QUERIES AND COMPLAINTS

All enquiries and complaints about the Fund should be directed to the Manager, Schroder Investment Management (Singapore) Ltd, at telephone number (65) 6534 4288.

19. OTHER MATERIAL INFORMATION

19.1 Change of investment policy

The Manager may, with prior notice to the Trustee, change the investment policy of the Fund upon giving Holders 3 months' prior written notice.

19.2 Indemnities and protection accorded to the Manager and/or the Trustee

19.2.1 The Trustee and the Manager respectively shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

19.2.2 Neither the Trustee nor the Manager shall be responsible for the authenticity of any signature on any statement of account or any seal affixed to any endorsement or any certificate or to any form of transfer or application, or other document (sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or a seal affixed to such endorsement, form of transfer or application or other document or for acting on or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Manager respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or Joint Holder to any document required to be signed by him under or in connection with the Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

19.2.3 The Trustee and the Manager shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Manager shall be under any liability therefor or thereby.

- (i) Any indemnity expressly given to the Trustee and/or the Manager in the Deed is in addition to and without prejudice to any indemnity allowed by law PROVIDED NEVERTHELESS THAT nothing in any of the provisions of the Deed shall in any case in which the Trustee and/or the Manager, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of the Deed exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.
- (ii) Neither the Manager nor the Trustee shall be responsible to the Fund or any Holder for any loss or damage arising from reasons or causes beyond their control, or the control of any of their employees, including without limitation nationalisation, war, terrorism, currency restrictions, civil unrest, riots or strikes, nuclear fusion or acts of God.

- (iii) In no event shall a Holder have or acquire any rights against the Trustee and the Manager or either of them save such as are expressly conferred upon such Holder by the Deed nor shall the Trustee be found to make any payment to any Holder except out of funds held by or paid to it for that purpose under the provisions of the Deed.

19.3 Custody of Investments

The Trustee shall be responsible for the safe custody of the Deposited Property of the Fund. Any Authorised Investments forming part of the Deposited Property shall, if in bearer form, be held by or on behalf of or deposited with the Trustee for the purpose of safe custody. Any Authorised Investment in registered form shall, as soon as possible after receipt of the necessary documents be registered in the name of the Trustee or its nominee and shall remain so registered until disposed of in accordance with the provisions of the Deed. The Trustee may act as custodian itself or may from time to time as it thinks fit appoint such persons (including any Associate of the Trustee) as custodian or joint custodians (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the Deposited Property and (where the Trustee is custodian) may from time to time as it thinks fit appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint with prior consent in writing of the Trustee, sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the Deposited Property. The Trustee may at any time procure that: -

- (i) the Trustee; or
- (ii) any officer of the Trustee jointly with the Trustee; or
- (iii) any nominee appointed by the Trustee; or
- (iv) any such nominee and the Trustee; or
- (v) any custodian, joint-custodian or sub-custodian appointed; or
- (vi) any company operating a recognised clearing system in respect of the Authorised Investments involved; or
- (vii) any broker, financial institution or other person with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

take delivery of and retain and/or be registered as proprietor of any Authorised Investments or other property held upon the trusts of the Deed.

Notwithstanding anything contained in the Deed, the following provisions shall apply:-

- (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person with whom Authorised Investments are deposited in order to satisfy any margin requirement;
- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any sub-custodian not appointed by it.

19.4 Value of Authorised Investments

Save as otherwise expressly provided in the Deed and subject always to the provisions of the Code, any Investment comprised or to be comprised in the Fund shall be calculated as follows: -

- (i) deposits placed with a bank or other financial institutions and bank bills, shall be determined by reference to the face value of such Authorised Investments and the accrued interest thereon for the relevant period;
- (ii) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value is published or available, then at their latest available realisation price;

- (iii) an Unquoted Investment (other than any deposit or bank bill or unit or share in a unit trust or mutual fund or collective investment scheme referred to in paragraphs (i) and (ii) above), shall be calculated by reference to, but not limited to, the price of the Investment if it is a component in a recognised bond index; or evaluated calculation from a reputable pricing vendor; or the mean of bid prices quoted by reputable institutions in the over-the-counter or telephone market at the close of trading in the relevant market on which the particular Authorised Investment is traded; or the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker, then such market maker as the Manager may designate);
- (iv) a Quoted Investment, shall be calculated firstly by reference to the official closing price (however described and calculated under the rules of the relevant Recognised Stock Exchange) and, if no official closing price is available, by the last transacted price on such Recognised Stock Exchange and, by the official closing price at the end of prior day(s) where reasonable; and
- (v) an Authorised Investment other than as described above, shall be valued in such manner and at such time or times as the Manager after consultation with the Trustee shall from time to time determine.

PROVIDED THAT, if the quotations referred to in (ii), (iii) or (iv) above are not available, or if the value of the Authorised Investments determined in the manner described in (i) to (v) above, in the opinion of the Manager, does not represent a fair value of such Authorised Investment, then the Value shall be any reasonable value as may be determined by the Manager or by a person determined by the Manager as being qualified to value and approved by the Trustee. The fair valuation shall be determined with due care and good faith and the basis for determining the fair value of the Authorised Investment documented.

Neither the Trustee nor the Manager shall incur any liability by reason of the fact that a price reasonably believed by them to be the last known or the last transacted or settlement price may be found not to be such Provided That it has acted in good faith without negligence and with due care.

19.5 Compulsory realisations of Units

The Manager has the right (in consultation with the Trustee) to realise compulsorily any holdings of Units held by:

- (a) any Holder:
 - (i) who, in the opinion of the Manager, is or may be in breach of any applicable law or regulation in any jurisdiction; or
 - (ii) where such realisation is, in the opinion of the Manager, necessary or desirable for the compliance of the Manager or the Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (b) any Holder whose holdings, in the opinion of the Manager:
 - (i) may cause the Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
 - (ii) may cause the offer of the Units of the Fund, the Fund, the prospectus of the Fund, the Deed, the Manager or the Trustee to become subject to any authorisation, recognition, approval, or registration requirements under any law or regulation in any other jurisdiction; or
- (c) any Holder whose holdings, in the opinion of the Manager:
 - (i) may cause a detrimental effect on the tax status of the Fund in any jurisdiction or on the tax status of the Holders of the Fund; or
 - (ii) may result in the Fund or other Holders of the Fund suffering any other legal or pecuniary or administrative disadvantage which the Fund or the Holders might not otherwise have incurred or suffered; or
- (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or who is unable or unwilling to provide information and/or documentary evidence requested by the Manager for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks.

**BOARD OF DIRECTORS OF
SCHRODER INVESTMENT MANAGEMENT (SINGAPORE) LTD**

Signed:

Signed:

SUSAN SOH SHIN YANN

THAM EE MERN LILIAN

Signed:

Signed:

TAN JUI TONG

GWEE SIEW PING

SCHRODER S\$ RESERVE FUND

REPLACEMENT PROSPECTUS LODGED ON OR ABOUT 1 JUNE 2012

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

Schroder S\$ Reserve Fund (the “Fund”)

Product Type	Unit Trust	Inception Date	8 October 2001
Manager	Schroder Investment Management (Singapore) Ltd	Custodian	The Hongkong and Shanghai Banking Corporation Limited
Trustee	HSBC Institutional Trust Services (Singapore) Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 30 June 2011	0.34%
Name of Guarantor	Not Applicable		

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek a liquid and lower volatility vehicle investing in short-term instruments but will typically yield a lower return due to the short-term and higher credit quality nature of its investments.

Further Information

Refer to Para 7 on pages 6-7 of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a unit trust constituted in Singapore that invests primarily in Singapore Dollar (“SGD”) denominated money market instruments and debt securities to achieve a return in line with the 1 month Singapore Dollar Interbank Bid Rate whilst managing liquidity and risk to preserve capital.

Refer to Para 6 and 7.1 on pages 6-7 of the Prospectus for further information on features of the product.

Investment Strategy

The investment focus and approach of the Fund is to invest in SGD denominated money market instruments and debt securities which include bank certificates of deposit, fixed deposits, money market securities, Singapore government and statutory board securities and corporate bonds. Except for securities explicitly guaranteed by the Singapore government, short-term ratings of securities will be at least “A1” by Standard and Poor’s or “P1” by Moody’s or be of an equivalent rating. However, the Fund may invest in debt securities issued by Singapore incorporated issuers that are not rated.

Refer to Para 7 on pages 6-7 of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Manager is Schroder Investment Management (Singapore) Ltd.
- The Trustee is HSBC Institutional Trust Services (Singapore) Limited.
- The custodian is The Hongkong and Shanghai Banking Corporation Limited.
- The registrar is Schroder Investment Management (Luxembourg) S.A.

Refer to Para 2, 3 and 4 on page 6 of the Prospectus for further information on the role and responsibilities of these entities.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the Fund and its distributions (if any) may rise or fall. These risk factors may cause you to lose some or all of your investment.

Refer to Para 9 on page 8-10 of the Prospectus for further information on risks of the product.

¹ The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours.

Market and Credit Risks

You are exposed to market risk in Singapore.

- The value of investments by the Fund may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Refer to Para 9.2.1 and 9.2.4 on page 8-9 of the Prospectus for further information.

You are exposed to credit risks.

- The Fund is subject to the risk that some issuers of debt securities and other investments made by the Fund may not make payments on such obligations, or an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of the Fund. A change in the quality rating of a security can also affect the security's liquidity and make it more difficult to sell.

Liquidity Risks

The Fund is not listed and you can realise only on Dealing Days.

- There is no secondary market for the Fund. All realisation requests should be made to the Manager or its appointed agents.

Refer to the "Important Information" section and Para 11.1 on page 11 of the Prospectus for further information.

Product-Specific Risks

You are exposed to derivatives risk.

- **The Fund may use or invest in derivatives for purposes of hedging and/or efficient portfolio management.** The Fund's use of derivatives such as futures, options, warrants, forwards, swaps or swap options involves increased risk. The Fund's ability to use such derivatives successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the derivatives do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used the derivatives. However, the Fund does not typically use derivatives in its strategy.

Refer to Para 9.2.2, 9.2.3 and 9.2.5 on pages 8-9 of the Prospectus for further information.

You are exposed to interest rate risks.

- Investments in bonds, debentures, loan stocks, convertibles and other debt securities may decline in value if interest rates change. In general, the prices of debt securities rise when interest rates fall, and fall when interest rates rise.

You are exposed to foreign securities risk.

- The Fund may invest in securities throughout the world that are subject to numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental laws or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to those applicable to companies in your domicile.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Preliminary Charge	• Currently 0%, Maximum 3%
Realisation Charge	• Currently 0%, Maximum 2%

Refer to Para 8 on page 8 of the Prospectus for further information on the fees and charges.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Manager and Trustee:

Annual management fee	• Currently 0.25%, Maximum 1%
Annual trustee fee	• Currently not more than 0.05% (currently not subject to any minimum amount) • Maximum 0.25% per annum (subject to a minimum of S\$7,500 per annum)

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The indicative Issue Price and the indicative Realisation Price of the Fund are published in The Straits Times, The Business Times, Lianhe Zaobao, on the Manager's website at www.schroders.com.sg and are also available from the Manager. The actual Issue Price and Realisation Price are normally published, in the case of the Manager's website, one Business Day and, in the case of any other publications, two Business Days, after the relevant Dealing Day (subject to the publication policies of the relevant publisher).

Refer to Para 10.2, 11 and 12 on pages 10-12 of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You can realise your Units on any Dealing Day by submitting a realisation request to the Manager or its appointed agents on or before the Dealing Deadline on that Dealing Day. Realisation of Units shall only be effected on the relevant Dealing Day in respect of a realisation request received by the Manager or its appointed agents on or before the Dealing Deadline in respect of such Dealing Day.

The realisation proceeds are paid to you within 6 Business Days (or such other period as may be permitted by the Monetary Authority of Singapore) from the date of receipt of the realisation request.

Your Realisation Price is determined as follows:

- If you submit the Realisation Request on or before 5 pm on a Dealing Day, you will be paid a price based on the net asset value of the Fund at the close of that Dealing Day.
- If you submit the Realisation Request after 5 pm on a Dealing Day, you will be paid a price based on the net asset value of the Fund at the close of the next Dealing Day.

The following is an example of how the realisation proceeds paid to you is calculated based on a notional Realisation Price of S\$1.10 for Class A Units of the Fund:

1,000 Units Number of units realised	x	S\$1.100 Notional realisation price	=	S\$1,100.00 Gross realisation proceeds		
S\$1,100.00 Gross realisation proceeds	-	(0% (Realisation charge*)	x	S\$1.100) Gross realisation proceeds	=	S\$1,100.00 Net realisation proceeds

* The realisation charge for Class A Units of the Fund is currently 0%.

If applicable to you as provided in the trust deed of the Fund, you can exit the Fund by delivering a notice in writing to the Manager or its appointed distributors to cancel your subscription for Units in the Fund within 7 calendar days from the date of your subscription. However, you will have to take the risk for any price changes in the net asset value of the Fund since the time of your subscription.

CONTACT INFORMATION

HOW CAN YOU CONTACT US?

For enquiries, please contact

**Schroder Investment Management
(Singapore) Ltd**

65 Chulia Street #46-00, OCBC Centre

Singapore 049513

Tel: 6534 4288

Website: www.schroders.com.sg

Distributor

The Manager

APPENDIX: GLOSSARY OF TERMS

“**Business Day**” in relation to the Fund, means any day (other than a Saturday or Sunday or a public holiday) on which banks in Singapore or any other place or places determined by the Manager (with prior notice to the Trustee) are open for business or any other day as the Manager and the Trustee may agree in writing.

“**Class**” means a class of Units within the Fund.

“**Dealing Day**” means such Business Day or Business Days or such other day or days at such intervals as the Manager may from time to time determine provided that reasonable notice of any such determination shall be given by the Manager to all the unitholders of the Fund at such time and in such manner as the Trustee may approve.

“**Dealing Deadline**” in relation to the issuance and realisation of Units on any Dealing Day, means 5 p.m. Singapore time on that Dealing Day or such other time on or prior to such Dealing Day as the Manager may from time to time determine with the approval of the Trustee.

“**Units**” means units in the Fund.

