

# Schroder Alternative Solutions Prospectus

(a Luxembourg domiciled open-ended investment company)

March 2015

## Singapore



**Schroders**

# **Schroder Alternative Solutions**

Schroder Alternative Solutions Commodity Fund  
Schroder Alternative Solutions Agriculture Fund  
Schroder Alternative Solutions Gold and Precious Metals Fund

Established In Luxembourg

## **Singapore Prospectus**

**This Singapore Prospectus dated 5 March 2015 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act, Chapter 289 of Singapore and replaces the previous replacement prospectus dated 29 September 2014 which in turn replaced the Singapore Prospectus registered by the Monetary Authority of Singapore on 11 June 2014.**

This Singapore Prospectus incorporates and is not valid without the attached Luxembourg Prospectus dated December 2014 for Schroder Alternative Solutions and such other supplementary prospectus(es) that may be issued from time to time (together, the “**Luxembourg Prospectus**”). Unless the context otherwise requires, terms defined in the Luxembourg Prospectus shall have the same meaning when used in this Singapore Prospectus except where specifically provided for by this Singapore Prospectus.

Schroder Alternative Solutions is an open-ended investment company incorporated under the laws of Luxembourg and is constituted outside Singapore. The Schroder Alternative Solutions has appointed Schroder Investment Management (Singapore) Ltd (whose details appear in the Directory of this Singapore Prospectus) as its Singapore representative and agent for service of process.

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# Important Information

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The collective investment schemes offered in this Singapore Prospectus, namely, the Schroder Alternative Solutions Commodity Fund, the Schroder Alternative Solutions Agriculture Fund and the Schroder Alternative Solutions Gold and Precious Metals Fund (each a “**Fund**” and, collectively, the “**Funds**”), which are established as funds under the Schroder Alternative Solutions (the “**Company**”) are recognised schemes under the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”).

A copy of this Singapore Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “**MAS**”). The MAS assumes no responsibility for the contents of this Singapore Prospectus. The registration of this Singapore Prospectus by the MAS does not imply that the SFA or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the Funds. **Investors should note that references to other funds or other share classes in the Luxembourg Prospectus which are not listed in this Singapore Prospectus are not available to Singapore investors and is not and should not be construed as an offer of shares in such other funds and share classes in Singapore.**

This Singapore Prospectus is a replacement prospectus lodged with the MAS on 5 March 2015. It replaces the previous replacement prospectus dated 29 September 2014 which in turn replaced the Singapore Prospectus that was registered by the MAS on 11 June 2014, and shall be valid for 12 months after the date of registration (i.e., up to and including 10 June 2015) and shall expire on 11 June 2015.

The assets of the Company are held in different funds thereunder. Each Fund is a separate portfolio of securities managed in accordance with specific investment objectives. Separate share classes (“**Share Classes**”) may be issued in relation to each Fund. Please note that only the Share Classes listed in paragraph 2.2 in respect of each Fund are available to Singapore investors for subscription.

The directors of the Company (the “**Directors**”) have taken all reasonable care to ensure that the facts stated in this Singapore Prospectus are true and accurate in all material respects and that there are no other material facts the omission of which makes any statement of fact or opinion in this Singapore Prospectus misleading. The Directors accept responsibility accordingly.

The distribution of this Singapore Prospectus and the offering of the shares of the Funds (the “**Shares**”) may be restricted in certain jurisdictions. This Singapore Prospectus is not an offer or solicitation in any jurisdiction where such offer or solicitation is unlawful, where the person making the offer or solicitation is not authorised to make it or a person receiving the offer or solicitation may not lawfully receive it.

No application has been made for the Shares to be listed on the Singapore Exchange Securities Trading Limited. There is no secondary market for the Funds in Singapore.

Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own country for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, conversion and redemption of Shares.

**Investors should note that the Funds intend to use or invest in financial derivatives. Investors are advised to carefully consider the risk factors set out in the Luxembourg Prospectus and under paragraph 7 of this Singapore Prospectus, including the risk factors relating to financial derivatives. Investors should also note that the net asset value of each of the Funds is likely to have a high volatility due to its investment policies or portfolio management techniques.**

Investors should refer to the section headed “GENERAL INFORMATION - U.S. Tax Reporting Obligations under FATCA” in the Luxembourg Prospectus for information on the U.S. tax reporting obligations under FATCA (as defined in that section in the Luxembourg Prospectus).

# Important Information (continued)

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If you are in any doubt about the contents of this Singapore Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Shares are offered on the basis of the information contained in this Singapore Prospectus and the documents referred to in this Singapore Prospectus. No person is authorised to give any information or to make any representations concerning the Company or the Funds other than as contained in this Singapore Prospectus. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Singapore Prospectus will be solely at the risk of the purchaser.

The delivery of this Singapore Prospectus or the issue of Shares in any Fund shall not, under any circumstances, create any implication that the affairs of the Company and/or the Funds have not changed since the date hereof. **To reflect material changes, this Singapore Prospectus (which includes the Luxembourg Prospectus) may be updated from time to time and investors should investigate whether any more recent Singapore Prospectus is available.**

Investors may wish to consult their independent financial adviser about the suitability of a particular Fund for their investment needs.

**IMPORTANT: PLEASE READ AND RETAIN THIS SINGAPORE PROSPECTUS FOR FUTURE REFERENCE**

# Directory

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## Board Of Directors Of The Company

### Chairman

Carlo TRABATTONI

### Directors

Jacques ELVINGER  
Daniel de FERNANDO GARCIA  
Achim KUESSNER  
Ketil PETERSEN  
Georges-Arnaud SAIER  
Neil WALTON  
Marie-Jeanne CHEVREMONT-LORENZINI  
Mike CHAMPION

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## Registered Office

5, rue Höhenhof, 1736 Senningerberg, Grand Duchy of Luxembourg

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## Management Company And Domiciliary Agent

Schroder Investment Management (Luxembourg) S.A., 5, rue Höhenhof, 1736 Senningerberg, Grand Duchy of Luxembourg

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## Investment Manager

Schroder Investment Management Limited, 31, Gresham Street, London EC2V 7QA, United Kingdom

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## Depository

J.P. Morgan Bank Luxembourg S.A., European Bank & Business Centre, 6 route de Trèves, 2633 Senningerberg, Grand Duchy of Luxembourg

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## Independent Auditors

PricewaterhouseCoopers Société Coopérative, 2 rue Gerhard Mercator, 2182 Luxembourg, Grand Duchy of Luxembourg

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## Singapore Representative And Agent For Service Of Process In Singapore

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

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## Legal Adviser Of The Company As To Luxembourg Law

Elvinger, Hoss & Prussen, 2, place Winston Churchill, B.P. 425, 2014 Luxembourg, Grand Duchy of Luxembourg

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## Legal Adviser Of The Company As To English Law

Simmons & Simmons, CityPoint, One Ropemaker Street, London EC2Y 9SS, United Kingdom

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## Legal Advisers To The Company As To Singapore Law

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



# 1. The Company

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## 1.1

The Company is an open-ended investment company with limited liability incorporated on 6 October 2005, organised as a “société anonyme” and qualifies as a Société d’Investissement à Capital Variable (SICAV) under part II of the law on undertakings for collective investment dated 17 December 2010, as amended (the “**Law**”) of the Grand Duchy of Luxembourg and as an alternative investment fund within the meaning of article 1(39) of the law of 12 July 2013 of the Grand Duchy of Luxembourg on alternative investment fund managers (the “**2013 Law**”). **Investors should refer to the “Regulatory risks” in the Risk Factors section of this Singapore Prospectus for risks associated with a company registered under Part II of the Law.**

## 1.2

The Company is organised in the form of an umbrella fund and comprises separate funds, each representing interests in a defined portfolio of assets and liabilities managed in accordance with its specific investment objective. Each fund may further be divided into separate Share Classes.

## 1.3

The articles of incorporation of the Company as amended from time to time (the “**Articles**”) were last amended on 22 May 2012 and published in the *Mémorial C, Recueil des Sociétés et Associations* on 31 May 2012, and have been filed with the Trade and Company Registry in Luxembourg.

## 1.4

Copies of the Articles of the Company are available to Singapore investors for inspection, free of charge, at the operating office of the Singapore Representative, during normal Singapore business hours. Copies of the latest annual and semi-annual reports and accounts of the Company (if available) may also be obtained free of charge from the Singapore Representative upon request.

## 1.5

Full details of the Company are set out under the sections headed “IMPORTANT INFORMATION - Registration in Luxembourg”, “THE COMPANY - Structure” and “GENERAL INFORMATION - Company Information” in the Luxembourg Prospectus.



## 2. The Funds

### 2.1

The funds currently offered to investors in Singapore pursuant to this Singapore Prospectus (each a “**Fund**” and, collectively, the “**Funds**”) are:

	<b>Fund</b>	<b>Base Currency</b>
2.1.1	Schroder Alternative Solutions Commodity Fund (the “ <b>SAS Commodity Fund</b> ”)	US dollar (“ <b>USD</b> ”)
2.1.2	Schroder Alternative Solutions Gold and Precious Metals Fund (the “ <b>SAS Gold and Precious Metals Fund</b> ”)	USD
2.1.3	Schroder Alternative Solutions Agriculture Fund (the “ <b>SAS Agriculture Fund</b> ”)	USD

### 2.2

One or more Share Classes can be offered within each Fund. As at the date of registration of this Singapore Prospectus, the following Share Classes in respect of each Fund are available for subscription by Singapore investors:

<b>Fund</b>	<b>Share Class</b>	<b>Share Class currency denomination</b>
SAS Commodity Fund	A Accumulation	Singapore dollar Hedged (“ <b>SGD Hedged</b> ”)
	A Accumulation	USD
	A Accumulation	Euro Hedged (“ <b>EUR Hedged</b> ”)
	C Accumulation	USD
	I Accumulation	USD
	I Distribution	USD
SAS Gold and Precious Metals Fund	A Accumulation	SGD Hedged
	A Accumulation	USD
	A Accumulation	EUR Hedged
SAS Agriculture Fund	A Accumulation	SGD Hedged
	A Accumulation	USD
	A Accumulation	EUR Hedged

### 2.3

Shares of the A Accumulation, the C Accumulation and the I Accumulation Share Classes of the Funds are accumulation shares<sup>1</sup>, thus income arising in respect of such a Share will not be distributed but will be accumulated and reflected in the price of that Share. Shares of the I Distribution Share Class of the SAS Commodity Fund are distribution shares<sup>2</sup>, thus income arising from such a Share will be distributed in the form of dividends to the shareholder. The assets of the Share Classes of a Fund will commonly be invested in accordance with the specific investment policy of that Fund, but different fee structure, currency of denomination or other specific feature may apply to each Share Class.

### 2.4

Shares of the I Accumulation Share Class and the I Distribution Share Class of the SAS Commodity Fund (collectively, the “**I Shares**”) will only be offered to investors: (A) who, at the time the relevant subscription order is received, are clients of Schroders<sup>3</sup> with an agreement covering the charging structure relevant to the clients’ investments in such

<sup>1</sup> “**Accumulation shares**” means Shares which accumulate their income so that the income is included in the price of the Shares.

<sup>2</sup> “**Distribution shares**” means Shares which distribute their income.

<sup>3</sup> “**Schroders**” means the Management Company’s ultimate holding company and its subsidiaries and affiliates worldwide. “**Management Company**” is defined in paragraph 3.1 of this Singapore Prospectus.

## 2. The Funds (continued)

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Shares, and (B) who are institutional investors, as may be defined from time to time by the guidelines or recommendations issued by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority).

The Company will not issue, or effect any switching of, I Shares to any investor who is not considered an institutional investor. The Directors may, at their discretion, delay the acceptance of any subscription for I Shares restricted to institutional investors until such date as the Management Company (as defined in paragraph 3.1 below) has received sufficient evidence on the qualification of the relevant investor as an institutional investor. If it appears at any time that a holder of I Shares is not an institutional investor, the Directors will instruct the Management Company to propose that the said holder convert their Shares into a Share Class within the relevant Fund which is not restricted to institutional investors (provided that there exists such a Share Class with similar characteristics). In the event that the shareholder refuses such switching, the Directors will, at their discretion, instruct the Management Company to redeem the relevant Shares in accordance with the provisions under the section headed "SHARE DEALING - Redemption and Switching of Shares" in the Luxembourg Prospectus. As I Shares are, inter alia, designed to accommodate an alternative charging structure whereby the investor is a client of Schroders and is charged management fees directly by Schroders, no management fees will be payable in respect of I Shares out of the net assets of the relevant Fund. I Shares will bear their pro-rata share of the fees payable to the Depositary (as defined in paragraph 4.2 below) and the Management Company, as well as of other charges and expenses.

### 2.5

The Directors may at any time resolve to set up new funds under the Company and/or create within each fund one or more Share Class(es). The Directors may also at any time resolve to close a fund of the Company, or one or more Share Class(es) within a fund of the Company for further subscriptions.

Full details of the respective Share Classes are set out under the section headed "THE COMPANY - Share Classes" in the Luxembourg Prospectus and the section headed "AVAILABLE FUNDS - Hedged Share Classes" in Appendix III of the Luxembourg Prospectus. **Investors should note that any fund or share class referenced in the Luxembourg Prospectus but which has not been listed in paragraph 2.2 above is not available for subscription by Singapore investors and such shares are not being offered for sale within Singapore pursuant to this Singapore Prospectus nor may such an offer be made.**

# 3. Management And Administration

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## 3.1 Management Company

The Directors have designated Schroder Investment Management (Luxembourg) S.A. (“the **Management Company**”) as (i) its management company to perform investment management, administration, shareholder registration, dealing and marketing functions in respect of the Company and (ii) alternative investment fund manager of the Company within the meaning of article 1(46) of the 2013 Law. The Management Company is licensed and regulated by the Commission de Surveillance du Secteur Financier (the “**CSSF**”).

The Management Company is a member of 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.

The Management Company was incorporated as a “Société Anonyme” in Luxembourg on 23 August 1991 and has been authorised as a management company under chapter 15 of the Law and as an alternative investment fund manager under the 2013 Law.

The Management Company has been authorised to manage funds since 12 August 2005 and has been appointed management company of other funds but has similarly delegated its investment management functions for such funds to other investment managers. As such, the Management Company has not been managing funds directly as at the date of registration of this Singapore Prospectus.

Further details on the Management Company are set out under the section headed “GENERAL INFORMATION - Management Company” in the Luxembourg Prospectus.

## 3.2 Directors and key executives of the Management Company

Noel Fessey

Noel is a director of the Management Company.

He is currently the Global Head of Fund Services and the Country Head of Luxembourg in the Schroders group. Prior to his current appointment, Noel was the Head of Information Systems and Corporate Support in London. Noel joined the Schroders group in 2000.

Noel graduated from Cranfield University with a Bachelor of Science in Command, Control, Communications and Information Systems.

Paul Duncombe

Paul is a director of the Management Company.

He is currently the Head of Multi-Asset Investment Solutions at Schroder Investment Management Limited (“**SIML**”). He was previously a Senior Investment Solutions Manager in the UK Multi Asset Product team of SIML. Paul joined SIML in 2007. Prior to that, Paul worked for State Street Global Advisors from 1995 to 2006, where he was the Global Head of Currency Management and later, the Managing Director of the London office.

Paul holds a Masters in Business Administration from London Business School and a Masters in Engineering from Cambridge University.

# 3. Management And Administration

(continued)

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John Troiano

John is a director of the Management Company.

He is currently the Global Head of Institutional Business at SIML. He joined SIML in 1981. He started as an investment analyst specialising in engineering and technology in London and New York and was appointed the Head of the UK Research Department in London in 1987.

In 1988, he became the Head of the American equity team and in 1991, he set up Schroders' Emerging Market equity capability. John was then appointed Chief Executive of Schroder Investment Management North America Inc. in 1997 and Managing Director of Schroders' UK business in 2001.

John was educated at Oxford University and graduated with a Bachelor of Arts in Economics, Engineering & Management. He is an Associate Member of the Institute of Investment Management & Research and a member of the Investment Committee at the Association of British Insurers.

Marco Zwick

Marco is a director of the Management Company.

He is currently the Head of Compliance and Risk for Continental Europe and Middle East of the Schroders group. He is the Compliance and Risk Director of the Management Company. Marco joined the Management Company in 2005.

He has previously worked at Deutsche Börse Group as the Head of Compliance, at Clearstream International as an Internal Audit Manager and at Banque Générale du Luxembourg S.A. where he held various positions.

Marco graduated with a Masters in Business Administration from Sheffield Business School and holds a Diplôme de Fin d'Etudes Secondaires Section B Classique (Mathematics). He is also a member of the CSSF Compliance Committee.

Markus H Ruetimann

Markus is a director of the Management Company.

He is currently the Chief Operating Officer of the Schroders group. Markus' global responsibilities encompass Institutional Portfolio Services, Fund Services, Information Technology, Change & Project Management and Corporate Services.

Markus joined the Schroders group in 2004 and was appointed as the Chairman of the Management Company in January 2005. Markus has been a Member of Schroders' Group Management Committee since June 2005. He was appointed as a Director of Schroder & Co Bank AG, Zurich in September 2009.

Prior to this, Markus was the Global Head of Technology & Portfolio Services at UBS Global Asset Management from 1999 to late 2004 and the Chief Operating Officer of Phillips & Drew from 1988 to 1998.

Markus is a board member of the Jersey Financial Services Commission and previously held board membership at Omgeo and CRESTCo.

Markus holds a Diploma in Accounting, Economics, IT and Languages from Zurich Business School.

Finbarr Browne

Finbarr is a director of the Management Company.

He is currently the Head of Finance at the Management Company. He joined the Management Company in 2002.

# 3. Management And Administration

(continued)

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Currently, Finbarr has global responsibilities within Schroders' Fund Services business for fund distribution data services and fund revenue and commissions services, as well as regional responsibility for Schroders' Finance and Tax matters in Continental Europe.

Prior to joining Schroders, Finbarr was a manager in the Corporate Finance division of Deloitte Luxembourg and the Head of Fund Reporting in Brown Brothers Harriman.

Finbarr holds a Bachelor of Commerce from University College Galway and qualified as a Chartered Accountant in 1998 with the Institute of Chartered Accountants Ireland.

Ketil Petersen

Ketil is a director of the Company and a key executive of the Management Company in relation to the Company.

He is currently the Schroders group Country Head for the Nordic Region. Prior to this, he was the General Manager & Country Head for Denmark, Norway and Iceland of the Schroders group.

Ketil has previously served as the Head of Equities at BG Asset Management and as the Group Portfolio Manager at Alm. Brand Group. He has also worked in Roskilde Bank.

Ketil graduated with a Bachelor in Business Administration from Copenhagen Business School. He also holds a Diploma in Business Excellence from the Institute for Corporate Governance and was on the Wharton Executive Program at The Wharton School.

## 3.3

### Investment Manager

The Company has permitted the Management Company to delegate certain administrative, distribution and management functions to specialised service providers. In that context, the Management Company has delegated the portfolio management function of the Funds to Schroder Investment Management Limited (the "**Investment Manager**"), a member of Schroders, within the limits permitted by the 2013 Law and subject to proper supervision. However, the Management Company remains responsible for the risk management function of the Funds. *Please refer to paragraph 3.1 above for further details on Schroders.*

In particular, the Investment Manager may on a discretionary basis acquire and dispose of investments of the Funds, subject to and in accordance with instructions received from the Management Company and/or the Company from time to time, and in accordance with stated investment objectives and restrictions.

The Investment Manager has substantial experience of investing in and researching commodities. Within Schroders there has been for a number of years dedicated teams of analysts covering energy and metals. These have been used to support a range of equity funds including the Schroders Energy Fund which was launched in 1987 as well as the range of emerging market equity funds. In addition, Schroders' emerging market debt team has, for more than 10 years, built up considerable expertise on commodities. Given Schroders' strength in global research, the Investment Manager's investment team has been able to draw upon the extensive in-house research available from Schroders' offices around the world. The Investment Manager is regulated by the Financial Conduct Authority.

**Investors should note that past performance of the Management Company, the Investment Manager or their affiliates are not necessarily indicative of their future performance or of the future performance of the Funds.**

## 4. Other Parties

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### 4.1

#### The Singapore Representative and Agent for Service of Process

##### 4.1.1

The Company has appointed Schroder Investment Management (Singapore) Ltd as the representative for the Funds in Singapore (the “**Singapore Representative**”) for the purposes of performing administrative and other related functions relating to the offer of Shares under Section 287 of the SFA and such other functions as the MAS may prescribe.

##### 4.1.2

Key functions carried out by the Singapore Representative in respect of the distribution of the Funds in Singapore include:

(i)

Facilitating (or procure the facilitating of):

(a)

the issue and redemption of Shares in the Funds;

(b)

the publishing of the issue and redemption prices of Shares in the Funds;

(c)

the sending of reports of the Funds to Singapore shareholders;

(d)

the inspection of instruments constituting the Company and the Funds; and

(ii)

Maintaining (or procuring the maintenance of) a local record of shareholders who subscribed for or purchased their shares in Singapore (“**Singapore Participants’ Records**”).

##### 4.1.3

Entries in the Singapore Participants’ Records are conclusive evidence of the number of Shares in any Fund or Share Class of Fund held by each Singapore shareholder and such entries shall prevail in the event of any discrepancy with the details appearing on any statement of holding, unless the Singapore shareholder proves to the satisfaction of the Company that such entries are incorrect. The Singapore Participants’ Records is available for inspection by Singapore shareholders at the operating office of the Singapore Representative or at the office of such Singapore registrar agent as may from time to time be appointed by the Singapore Representative. Investors should check with the Singapore Representative for further details.

##### 4.1.4

The Singapore Representative has also been appointed by the Company to act as the Company’s local agent in Singapore to accept service of process on behalf of the Company.

### 4.2

#### The Depositary

J.P. Morgan Bank Luxembourg S.A. (“**Depositary**”) has been appointed as the Depositary of the Company within the meaning of the 2013 Law.

The Depositary was incorporated as a “Société Anonyme” for an unlimited duration on 16 May 1973 and has its registered office at European Bank & Business Centre, 6 route de Trèves, 2633 Senningerberg, Grand Duchy of Luxembourg. On 31 December 2013, its capital reserves amounted to USD 1,039,453,645. The principal activities of J.P. Morgan Bank Luxembourg S.A. are custodial and investment administration services. The Depositary is licensed and regulated by the CSSF.

The Company has appointed the Depositary as the global custodian to provide custodial services to the Company globally. The Depositary is entitled to appoint sub-custodians to perform any of the Depositary’s duties in specific jurisdictions where the Company invests.

## 4. Other Parties (continued)

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The Depositary is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the Depositary shall act in good faith and use reasonable care in the selection and monitoring of its selected sub-custodians.

The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of the Depositary in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors such as financial strength, reputation in the market, systems capability, operational and technical expertise. All sub-custodians appointed shall be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

The Management Company has also delegated certain administration functions to J.P. Morgan Bank Luxembourg S.A..

Further details on the Depositary are set out under the section headed "GENERAL INFORMATION - Depositary" in the Luxembourg Prospectus.



# 5. Investment Objectives And Policies

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The investment objectives and policies of the Company are described in the section headed “THE COMPANY - Investment Objectives and Policies” of the Luxembourg Prospectus and should be read together with the investment objective and investment approach specific to the Funds as described in the sections headed “SCHRODER ALTERNATIVE SOLUTIONS COMMODITY FUND”, “SCHRODER ALTERNATIVE SOLUTIONS AGRICULTURE FUND” and “SCHRODER ALTERNATIVE SOLUTIONS GOLD AND PRECIOUS METALS FUND” in Appendix III of the Luxembourg Prospectus.

For easy reference, the investment objectives and policies of the 3 Funds on offer in Singapore are summarised and reproduced below. **Investors are directed to review the full investment objectives and policies as set out in the Luxembourg Prospectus.**

## 5.1 Investment objective and policy of the Company

The main objective of the Company is to place the funds available to it in assets of any kind with the purpose of affording its shareholders the results of the management of its portfolios.

The specific investment objective and policy of the Funds is described in the section headed “SCHRODER ALTERNATIVE SOLUTIONS COMMODITY FUND”, “SCHRODER ALTERNATIVE SOLUTIONS AGRICULTURE FUND” and “SCHRODER ALTERNATIVE SOLUTIONS GOLD AND PRECIOUS METALS FUND” in Appendix III of the Luxembourg Prospectus.

## 5.2 Investment objective, policy and approach specific to the Funds

### 5.2.1 Investment objective and policy / Product Suitability

The investment objective of SAS Commodity Fund is to generate growth in the long term through investment in commodity related instruments globally.

The investment objective of SAS Agriculture Fund is to generate growth in the long term through investment in agricultural commodity related instruments globally.

The investment objective of SAS Gold and Precious Metals Fund is to generate growth in the long term through investment in gold and precious metal related commodity instruments, as well as the equities of those companies involved in precious metal related industries globally.

The SAS Commodity Fund is suitable for investors who

- seek long-term capital growth from active commodity management; and
- as an investment in the SAS Commodity Fund involves a high degree of risk, are able and willing to take such a risk, including the loss of up to 100% of their investment in the SAS Commodity Fund.

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

The SAS Agriculture Fund is suitable for investors who

- seek long-term capital growth from active commodity management; and
- accept that an investment in the SAS Agriculture Fund involves a high degree of risk and are able and willing to take such a risk, including the loss up to 100% of their investment in the SAS Agriculture Fund.

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

# 5. Investment Objectives And Policies

(continued)

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The SAS Gold and Precious Metals Fund is suitable for investors who

- seek long-term capital growth from active commodity management; and
- as an investment in the SAS Gold and Precious Metals Fund involves a high degree of risk, are able and willing to take such a risk, including the loss of up to 100% of their investment in the SAS Gold and Precious Metals Fund.

**Investors should consult their financial advisers if in doubt as to whether the SAS Gold and Precious Metals Fund is suitable for them.**

## 5.2.2

### Investment approach

The SAS Commodity Fund will be exposed to a range of commodity sectors globally. Although it is anticipated that the SAS Commodity Fund will be primarily invested in the energy, agriculture and metals sectors, the Fund may however invest in any sector of the commodity market at the discretion of the Investment Manager.

The SAS Agriculture Fund will be exposed to a range of agricultural commodities globally, and may invest in any sector of the agricultural commodity market at the discretion of the Investment Manager.

The SAS Gold and Precious Metals Fund will be exposed to a range of gold and precious metal related commodities, and may invest in any sector of the gold and precious metals market at the discretion of the Investment Manager.

The Funds (other than the SAS Gold and Precious Metals Fund) will be actively managed and will invest predominantly in a range of commodity related derivative instruments (in the case of the SAS Commodity Fund) or agricultural commodity related derivative instruments (in the case of the SAS Agriculture Fund), principally comprising futures and other commodity linked derivative instruments such as swaps on physical commodities and futures on commodity indices, and structured notes. The SAS Gold and Precious Metals Fund will be actively managed and will invest predominantly in a range of gold and precious metal related derivative instruments, principally comprising futures and other commodity linked derivative instruments such as swaps on physical commodities and futures on commodity indices, equities, exchange traded funds, and structured notes. *The Funds will not acquire any physical commodities directly nor will they enter into any contracts relating to physical commodities other than commodity futures, warrants, swaps, and options contracts. Any commodity futures or options contracts and any other derivative instruments that call for physical delivery of the underlying commodity will be liquidated prior to delivery and the Investment Manager has put in place procedures to ensure that this occurs. All derivative instruments where applicable will be settled in cash.*

The SAS Commodity Fund and the SAS Agriculture Fund will typically seek to gain exposure to the commodity markets by investing in commodity futures and commodity related total return swaps. The SAS Gold and Precious Metals Fund will seek to gain exposure to the commodity markets by investing in commodity futures and commodity related total return swaps. A swap allows the Funds to create exposure to a specific commodity. Each Fund will pay a replication fee during the lifetime of a swap. At maturity of the swap, the relevant Fund will receive an amount linked to the rise in the price of the commodity over the term of the swap. However, if the price of the commodity falls, that Fund will have to pay this amount to the counterparty.

To implement their investment policies, the Funds may use standardised and non-standardised (customised) derivative financial instruments. It may conduct such transactions on a stock exchange or another Regulated Market<sup>4</sup> open to the public,

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<sup>4</sup> “**Regulated Market**” means a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State. “**Eligible State**” includes any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the Directors deem appropriate.

## 5. Investment Objectives And Policies

(continued)

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or directly with a bank or financial institution specialising in these types of business as counterparty (Over the Counter trading). Even in extraordinary circumstances, the use of these instruments will not result in the Funds being leveraged nor will they be used to engage in short selling.

To a lesser extent, the SAS Commodity Fund and the SAS Agriculture Fund will also invest in equities, debt securities, convertible securities, warrants of issuers in commodity related industries, and may also for purposes of hedging only invest in foreign currency such as forward currency contracts, currency options and swaps on currencies, and cash or cash equivalents including certificates of deposit, treasury bills and floating rate notes. To a lesser extent, the SAS Gold and Precious Metals Fund will also invest in debt securities, convertible securities, warrants of issuers in precious metals related industries, and may also for purposes of hedging only invest in foreign currency such as forward currency contracts, currency options and swaps on currencies, and cash or cash equivalents including certificates of deposit, treasury bills and floating rate notes.

The economic exposure of commodity or commodity-agriculture (as the case may be) related derivatives or equity securities, debt securities, convertible securities or warrants of issuers in commodity or commodity-agriculture (as the case may be) related industries will represent at least two-thirds of the total assets of each of the SAS Commodity Fund and the SAS Agriculture Fund, without taking into account any cash or cash equivalents, i.e., bank credit balances and money market instruments with maturities of up to 12 months.

The SAS Gold and Precious Metals Fund's exposure to gold via the use of derivatives, exchange traded funds and structured notes, can be up to 100% of the net asset value of the Fund in extreme market conditions, however in the normal course of managing the Fund, it is not expected that exposure to gold will exceed 75% of the net asset value. This exposure will be achieved in compliance with the investment restrictions contained in Appendix I of the Luxembourg Prospectus.

Each Fund's global exposure shall not exceed 100% of its total net assets.

### *Leverage*

#### 1) Definition

Leverage is a way for each Fund to increase its exposure through the use of financial derivative instruments and/or borrowing of cash or securities where applicable.

Leverage is expressed as a ratio ("**leverage ratio**") between the exposure of the relevant Fund and its Net Asset Value.

## 5. Investment Objectives And Policies

(continued)

The leverage ratio is calculated in accordance with two methodologies for calculating the exposure of the relevant Fund, the gross method and the commitment method as summarised in the below table.

Leverage ratio	Exposure calculation methodology
'Gross leverage ratio'	<p>The exposure calculated under the gross methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for gross exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.</p> <p>Cash and cash equivalent (including cash borrowing that remain in cash or cash equivalent) held in the base currency of the Fund are excluded from the exposure calculation.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Luxembourg Prospectus).</p>
'Commitment leverage ratio'	<p>The exposure calculated with the commitment methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for commitment exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable. Under this method, netting and hedging arrangements can be taken into consideration under certain conditions.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Luxembourg Prospectus).</p>

The two ratios resulting from applying the gross or commitment methodology for calculating the exposure of the relevant Fund supplement each other and provide a distinct representation of leverage.

Gross leverage is a conservative way of representing leverage as it does not:

- make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund.

- allow the netting of derivative positions. As a result, derivatives roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase or only cause a moderate increase of the overall Fund risk.

# 5. Investment Objectives And Policies

(continued)

As a result, a Fund that exhibits a high level of gross leverage is not necessarily riskier than a Fund that exhibits a low level of gross leverage.

Commitment leverage is a more accurate representation of the true leverage of the relevant Fund as it allows for hedging and netting arrangements under certain conditions.

By convention, the leverage ratio is expressed as a fraction. A leverage ratio of 1 or below means the relevant Fund is unleveraged whereas a leverage ratio above 1 indicates the Fund is leveraged.

2) Circumstances in which a Fund may use leverage and types and sources of leverage permitted

Even in extraordinary circumstances, the use of financial derivatives will not result in a Fund being leveraged nor will they be used to engage in short selling.

3) Maximum level of leverage

Leverage ratio	Maximum leverage ratio		
	SAS Commodity Fund	SAS Agriculture Fund	SAS Gold and Precious Metals Fund
'Gross leverage ratio'	1	1	1.25
'Commitment leverage ratio'	1	1	1

4) Liquidity risk management

The Management Company has established a comprehensive liquidity risk monitoring framework to ensure that all the dimensions of Fund liquidity risk are identified, assessed and monitored on an on-going basis. This includes liquidity stress test scenarios that are designed to assess the resilience of the liquidity profile of the relevant Fund to a combination of:

- very unfavourable market liquidity conditions
- large-scale, short-notice capital outflows.

The objective is to ensure that the Fund is able to comply as far as possible at all times, and under stressed market conditions, with the relevant regulatory repurchase obligations and that Fund liquidity remains in line with the respective investment policy and overall risk profile.

In exceptional circumstances such as market liquidity dislocation and in the best interest of the relevant Fund and its Shareholders, the Management Company has implemented special procedures to defer redemption requests on a temporary basis as further detailed under the section headed "SHARE DEALING - Suspensions or Deferrals" in the Luxembourg Prospectus.

**There is no guarantee that the investment objective of any of the Funds will be achieved. Investors should consider carefully and satisfy themselves as to the risks of investing in any of the Funds, which are set out in paragraph 7 headed "RISK FACTORS" below, before making an investment decision.**

# 5. Investment Objectives And Policies

(continued)

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Full details of the investment objective and policy and the investment approach of the Funds are set out under the sections headed “SCHRODER ALTERNATIVE SOLUTIONS COMMODITY FUND”, “SCHRODER ALTERNATIVE SOLUTIONS AGRICULTURE FUND” and “SCHRODER ALTERNATIVE SOLUTIONS GOLD AND PRECIOUS METALS FUND” in Appendix III of the Luxembourg Prospectus.

## 5.3

### Investment and Borrowing Restrictions

Details on the investment and borrowing restrictions on the investments that may be made by the Funds are set out in the section headed “INVESTMENT AND BORROWING RESTRICTIONS” in Appendix I of the Luxembourg Prospectus.

## 5.4

### Method in determining Funds’ exposure arising from Investments

A Fund’s exposure to derivative instruments is determined on a commitment basis. Therefore, the derivative positions are converted into the market value of the underlying assets. Details on the method of determination the value of the Funds’ assets (which would be the Fund’s exposure arising from their respective investments) are set out under sub-paragraph (C) of the section headed “CALCULATION OF NET ASSET VALUE” in the Luxembourg Prospectus.

## 6. Fees, Charges And Expenses

A summary of the fees and charges applicable to the Share Classes on offer are set out below:

Fees and charges payable by investors in respect of each Share Class			
	SAS Commodity Fund	SAS Agriculture Fund	SAS Gold and Precious Metals Fund
<b>Initial charge</b> <sup>Note 1</sup>	Share Class A Up to 5.0% Share Class C Up to 1.0% Share Class I Nil	Up to 5.0%	Up to 5.0%
<b>Redemption charge</b> <sup>Note 1</sup>	Nil	Nil	Nil
<b>Switching fee</b> <sup>Note 2</sup>	Up to 1%	Up to 1%	Up to 1%

Fees and charges payable by each Share Class			
	SAS Commodity Fund	SAS Agriculture Fund	SAS Gold and Precious Metals Fund
<b>Investment management fee</b> <sup>Note 1</sup>	Share Class A Up to 1.50% per annum Share Class C 1.00% per annum Share Class I Nil	Up to 1.75% per annum	Up to 1.50% per annum
<b>Administration charge</b> <sup>Note 1</sup>	Up to 0.40% per annum	Up to 0.40% per annum	Up to 0.40% per annum
<b>Performance fee</b> <sup>Note 4</sup>	Share Classes A and C 10% of the absolute return subject to a High Water Mark Share Class I Nil	10% of the absolute return subject to a High Water Mark	Nil

Notes:

1. The Management Company and the duly appointed distributors of relevant Shares are entitled to the initial charge. Percentages are stated with reference to the net asset value of the relevant Fund or the relevant Share Class or the net asset value per Share, as may be appropriate. **The initial charge is expressed as a percentage of the total subscription amount.**
2. The Directors may, at their discretion, allow selected distributors to make a charge for switching which shall not exceed 1% of the value of the Shares being requested to be switched. This charge by selected distributors is the switching fee referred to in this Singapore Prospectus.
3. Performance fee

In consideration of the services provided by the Investment Manager in relation to the SAS Commodity Fund and the SAS Agriculture Fund, the Investment Manager is entitled to receive a performance fee, in addition to management fees. The performance fee becomes due in the event of *outperformance*<sup>\*</sup>, that is, if the net asset value per Share at the end of the relevant performance period exceeds the net asset value per Share at the end of any previous performance period (the “**High Water Mark**”). The performance period shall normally be each financial year except that where the net asset value per Share of the relevant Fund as at the end of the financial year is lower than the High Water Mark, the performance period will commence on the date of the High Water Mark. If a performance fee is introduced



## 6. Fees, Charges And Expenses (continued)

on a Fund during a financial year, then its first performance period will commence on the date on which such fee is introduced.

The performance fee is set at 10% of the positive performance\* as defined above. The performance fee (if any) is accrued or disaccrued daily and is payable by the respective Funds to the Investment Manager yearly during the month immediately following the end of each financial year. In addition if a shareholder redeems or switches all or part of their Shares before the end of a performance period, any accrued performance fee with respect to such Shares will crystallise on that Dealing Day<sup>5</sup> and will then become payable to the Investment Manager. The High Water Mark is not reset on those Dealing Days at which performance fees crystallise following the redemption or switch of Shares.

It should be noted that as the net asset value per Share may differ between Share Classes, separate performance fee calculations will be carried out for separate Share Classes within a Fund, which therefore may become subject to different amounts of performance fee.

A Share Class' performance fee is accrued on each Business Day<sup>6</sup>, on the basis of the difference between the net asset value per Share on the preceding Business Day (before deduction of any provision for the performance fee) and the High Water Mark, multiplied by the average number of Shares in issue over the financial year.

On each Business Day, the accounting provision made on the preceding Business Day is adjusted to reflect the Shares' performance\*, positive or negative, calculated as described above. If the net asset value per Share on the Business Day is lower than the High Water Mark, the provision made on such Business Day is returned to the relevant Share Class within the relevant Fund. The accounting provision may, however, never be negative. Under no circumstances will the Investment Manager pay money into a Fund or to any shareholder for any underperformance.

**\* Investors should note that the performance, positive or negative, referred to in this paragraph 6 is the difference between a Fund's net asset value and the High Water Mark for the relevant performance period, and is not indicative nor is it meant to refer to the actual performance or returns of any of the relevant Funds.**

An illustration on the calculation of the performance fee for the relevant Funds can be found in Appendix 1 of this Singapore Prospectus.

A more detailed description of the fees and charges payable by the Funds and/or the investors are set out in the sub-sections "Performance Fees" and "Other Charges and Expenses" under the sections headed "GENERAL INFORMATION - Administration Details, Charges and Expenses" of the Luxembourg Prospectus, and the sections headed "SCHRODER ALTERNATIVE SOLUTIONS COMMODITY FUND", "SCHRODER ALTERNATIVE SOLUTIONS AGRICULTURE FUND" and "SCHRODER ALTERNATIVE SOLUTIONS GOLD AND PRECIOUS METALS FUND" in Appendix III of the Luxembourg Prospectus. **Investors should read carefully these sections for further information on the fees and charges payable by the Funds and/or the investors. Some distributors may charge other fees which are not listed in this Singapore Prospectus, and investors should check with the relevant distributor on whether there are any other fees payable to the distributor.**

<sup>5</sup> "Dealing Day" means, unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the relevant Fund. The Management Company may also take into account whether relevant local stock exchanges and / or Regulated Markets are open for trading and settlement, and may elect to treat such closures as non-Dealing Days for Funds which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of expected non-Dealing Days for the Funds is available from the Management Company on request and is also available on the Internet site [www.schroders.lu](http://www.schroders.lu).

<sup>6</sup> "Business Day" means unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

# 7. Risk Factors

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## 7.1

### General

Investors should consider and satisfy themselves as to the risks of investing in either of the Funds. An investment in either of the Funds is not intended to be a complete investment programme for any investor and prospective investors should carefully consider whether an investment in either of the Funds is suitable for them in light of their own circumstances, financial means and entire investment programme. There can be no assurance that the Funds will achieve their investment objectives.

#### 7.1.1

##### General Risks

Past performance is not a guide to future performance and Shares, other than Shares of liquidity Funds, if any, 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 shareholders 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 the investor greater than the usual risks of investment.

#### 7.1.2

##### 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 macroeconomic 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.

#### 7.1.3

##### Regulatory Risk

The Company is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally the Funds will be registered in non-EU jurisdictions. As a result of such registrations the Funds may be subject, without any notice to the shareholders in the Funds concerned, to more restrictive regulatory regimes. In such cases the Funds will abide by these more restrictive requirements. This may prevent the Funds from making the fullest possible use of the investment limits.

#### 7.1.4

##### Risk of Suspension of Share Dealings

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended. Please refer to the section headed "SHARE DEALING - Suspensions or Deferrals" in the Luxembourg Prospectus for more details.

#### 7.1.5

##### 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.

## 7. Risk Factors (continued)

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### 7.1.6

#### 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 Manager 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 Manager will consider whether the security continues to be an appropriate investment for the Fund. A Fund's Investment Manager 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 Manager.

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. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

### 7.1.7

#### 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.

### 7.1.8

#### 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.

### 7.1.9

#### Financial Derivative Instrument Risk

For a Fund that uses financial derivative instruments to meet its specific 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 shareholders.

The Funds may use financial derivative instruments extensively to meet their respective specific investment objectives. Exposure to financial derivative instruments may lead to a high risk of capital loss.

## 7. Risk Factors (continued)

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### 7.1.10

#### 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 shareholders, suffering a loss.

### 7.1.11

#### Credit Default Swap Risk

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. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

### 7.1.12

#### Futures, Options and Forward Transactions Risk

A Fund may use options, futures and forward contracts on currencies, securities, indices, 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 an increased 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.

### 7.1.13

#### 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 is paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit

## 7. Risk Factors (continued)

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events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.

### 7.1.14 Equity Linked Note Risk

The return component of an equity linked note is based on the performance of a single 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.

### 7.1.15 General Risk associated with OTC Transactions

Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. In addition, the prices of such instruments may include an undisclosed dealer mark-up which a Fund may pay as part of the purchase price.

### 7.1.16 Counterparty Risk

The Company conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Company 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, bonds 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 first class institutions which are subject to prudential supervision and specialising in these types of transactions.

### 7.1.17 Custody Risk

Assets of the Company are safe kept by the Depositary and investors are exposed to the risk of the Depositary not being able to fully meet its obligation to reconstitute in a short time frame all of the assets of the Company in the case of bankruptcy of the Depositary. The assets of the Company will be identified in the Depositary's books as belonging to the Company. Securities held by the Depositary will be segregated from other assets of the Depositary 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 Depositary does not keep all the assets of the Company itself but uses a network of sub-custodians which are not part of the same group of companies as the Depositary. Investors 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 Depositary.

## 7. Risk Factors (continued)

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A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depository will have no liability.

### 7.1.18 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.

### 7.1.19 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.

### 7.1.20 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 such a Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

### 7.1.21 Concentration of Investments Risks

Although it will be the policy of the Company to diversify its investment portfolio, a Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### 7.1.22 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.



## 7. Risk Factors (continued)

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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 subprime 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 at 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.

### 7.1.23 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.

### 7.1.24 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.

### 7.1.25 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



## 7. Risk Factors (continued)

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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 crisis 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.

Equity investments in Russia are currently subject to certain risks with regard to the ownership and custody of securities. This results from the fact that no physical share certificates are issued and ownership of securities is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary), other than by local regulation. No certificates representing shareholdings in Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system.

Equity investments in Russia may also be settled using the local depository, the National Settlement Depository ("**NSD**"). Although NSD is legally recognised as a central securities depository ("**CSD**"), it is not currently operated as a CSD and may not protect finality of title. Like local custodians, the NSD still has to register the equity positions with the registrar in its own nominee name.

If concerns are raised regarding a specific investor, the whole nominee position in a depository could be frozen for a period of months until the investigation is complete. As a result, there is a risk that an investor could be restricted from trading because of another NSD account holder. At the same time should an underlying registrar be suspended, investors settling through registrars cannot trade, but settlement between two depository accounts can take place. Any discrepancies between a registrar and the NSD records may impact corporate entitlements and potentially settlement activity of underlying clients, which is mitigated by the frequent position reconciliations between the depositories and the registrars.

Securities traded on the Moscow Exchange can be treated as investment in securities dealt in on a Regulated Market.

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.

### 7.1.26 Potential Conflicts of Interest

The Investment Managers and Schroders may effect transactions in which the Investment Managers or Schroders have, directly or indirectly, an interest which may involve a potential conflict with the Investment Managers' duty to the Company.

## 7. Risk Factors (continued)

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Neither the Investment Managers nor Schroders shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Managers' fees, unless otherwise provided, be abated.

The Investment Managers will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

Such potential conflicting interests or duties may arise because the Investment Managers or Schroders may have invested directly or indirectly in the Company.

### 7.2

#### Specific risks of investing in the Company and/or the Funds

##### 7.2.1

##### Regulatory risks

The Company is registered under Part II of the list of UCI<sup>7</sup> provided by the Law and qualifies as an alternative investment fund within the meaning of article 1(39) of the 2013 Law.

UCITS set up under Part I of the Law are freely marketable throughout the European Union ("EU") countries with a minimum of formalities (i.e., UCITS with European passport) while UCIs set up under Part II of the Law may only be marketed in other EU countries after complying with the specific conditions stipulated by the authorities in the country concerned. Part II of the Law contains no provision regarding investment or borrowing rules for such UCIs. Such rules are generally specified in the circulars issued by the Luxembourg authority or are determined on a case by case basis by the Luxembourg authority.

Investors should consult their financial or other professional adviser for further information in this area.

##### 7.2.2

##### Financial and commodity derivatives risks

The Funds primarily invest in financial and/or commodity derivatives, including but not limited to commodity, agricultural commodity or gold and metal related (as the case may be) futures and options contracts and other commodity-related derivative instruments such as commodity-linked swaps.

Transactions in futures carry a high degree of risk. 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 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 seller may be fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller 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 seller holding a corresponding position in the underlying investment or a future on another option, however, the risk may be reduced.

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<sup>7</sup> "UCI" means an "undertaking for collective investment" within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive. "UCITS IV Directive" refers to 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. "UCITS" means 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.

## 7. Risk Factors (continued)

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As the commodity, agricultural commodity or gold and metal related (as the case may be) derivatives in which the Funds invest would essentially relate to certain underlying commodities, the existence of a liquid trading market for the underlying commodities of the derivatives to which the Funds invest in may depend on the supply and demand for such commodities. There can be no assurance that there will be active trading in any of the commodities. If trading markets for the underlying commodities are limited or absent, the prices of the derivatives to which the Funds invest in and, accordingly the value of the Funds, may be adversely affected.

Risks associated with an investment in the SAS Commodity Fund or in the SAS Agriculture Fund are mostly related to long only and unleveraged commodity market exposures, along with the associated risks of the instrument used to gain such exposures.

Although the Funds will invest primarily in exchange-traded derivative contracts, they may also invest in over-the-counter derivatives. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may not be possible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

While the Funds will be reasonably diversified across all sectors and will maintain a reserve of liquid assets to meet margin calls where necessary, the Funds are by nature high risk instruments where substantial trading costs can be incurred which may lead to large losses over a short period of time. **Investors should note that investment in such schemes is only appropriate for an investor who is able and willing to take such high risks, including the loss of up to 100% of his investment. A prospective investor should consider carefully his financial means and risk tolerance level before investing in any Fund.**

**Investors should read the following extracts from the “RISKS OF INVESTMENT” section in Appendix II of the Luxembourg Prospectus in relation to the risks relating to financial derivatives or categories thereof, which generally apply to the funds of the Company.**

### Commodity-linked Derivatives

Investments in commodity-linked derivative instruments may subject the Company to greater volatility than instruments in traditional securities. The value of commodity-linked derivative instruments may be affected, favourably or unfavourably, by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Procedures are in place to ensure that any commodity derivative instruments calling for physical delivery of the underlying commodity will be liquidated prior to delivery. But the Funds may be subject to an operational risk of mismatch.

### 7.2.3 Foreign exchange risks

The Company (and the funds thereunder) may be subject to foreign exchange risks. The Shares will be denominated in different currencies and Shares will be issued and redeemed in those currencies. Certain of the assets of the Company may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

The Company may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the denomination of the Share Class in which they are invested and other currencies.

## 7. Risk Factors (continued)

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### 7.2.4

#### Other risks

In the case of the SAS Gold and Precious Metals Fund, the Fund's exposure to gold via the use of derivatives, exchange traded funds and structured notes, can be up to 100% of the net asset value of the Fund in extreme market conditions, however in the normal course of managing the Fund, it is not expected that exposure to gold will exceed 75% of the net asset value. Depending on the level of the Fund's exposure to gold, fluctuations in the price of gold could materially affect an investment in the Fund.

Several factors may affect the price of gold, including:

- (i) global gold supply and demand, which is influenced by such factors as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, and production and cost levels in major gold-producing countries such as South Africa, the United States and Australia;
- (ii) investors' expectations with respect to the rate of inflation;
- (iii) currency exchange rates;
- (iv) interest rates (for example, a widening of interest rate differentials between the cost of money and the cost of gold could negatively affect the price of gold); and
- (v) global or regional political, economic or financial events and situations which may motivate large-scale sales of gold which in turn could decrease the price of gold.

In addition, the SAS Gold and Precious Metals Fund will be subject to the respective market movements of the limited number of sectors and/or countries of the investment universe.

In the case of the SAS Commodity Fund, the Fund will be subject to the respective market movements in the three main commodity sectors, namely energy, metals and agriculture.

In the case of the SAS Agriculture Fund, the Fund will be subject to the market movements in agricultural markets.

Other risks of investing in the Funds are detailed in the section headed "RISKS OF INVESTMENT" in Appendix II of the Luxembourg Prospectus.

**Investors should note that the above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing into the Funds. Potential investors should be aware that an investment in any of the Funds may be exposed to other risks of an exceptional nature from time to time.**

# 8. Subscription For Shares

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## 8.1

### Subscription procedure

Applications for the Shares of the Funds may be made through any duly appointed distributor of the Funds in Singapore using cash.

Applications for Shares should be made on a share application form as may be prescribed by the Company or the relevant distributor through whom the investor is purchasing Shares and sending it, together with any requisite supporting documents and the application monies, to the relevant distributor of the Funds in Singapore.

Shares will be issued in registered form. Fractional entitlements to registered Shares, if any, will be rounded to 2 decimal places. **Investors should note that distributors of the Funds in Singapore may provide a nominee service for persons who invest in the Funds through them. Where investors make use of such service, the distributor will hold Shares in its name for and on behalf of the investors and the distributor will be entered in the register of shareholders as the shareholder of the relevant Shares and will be the only person recognised as having an interest in the relevant Shares. Investors may nonetheless invest directly in the Funds and not avail themselves of a nominee service.**

The Management Company and/or the Company has the absolute discretion to reject any application in whole or in part. If an application or subscription is rejected, any subscription money received will be refunded at the cost and risk of the applicant without interest.

The Management Company and/or the Company may also request for further details or evidence of identity from an applicant for, or transferee of, Shares in the Funds.

Full details on the subscription procedure are set out under the section headed "SHARE DEALING - Subscription for Shares" in the Luxembourg Prospectus.

#### **Restriction on subscriptions into certain funds or classes**

**Investors should note that a Fund or Share Class may be closed to new subscriptions (but not to redemptions or switches out) if, in the opinion of the Management Company, the closure is necessary to protect the interests of existing shareholders. Once closed, a Fund, or Share Class, will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail.**

**Investors should also note that the SAS Agriculture Fund, the SAS Commodity Fund and the SAS Gold and Precious Metals Fund may be capacity constrained and therefore the Funds or some of their Share Classes may be closed to new subscriptions without notice to shareholders. Please refer to the section headed "SHARE DEALING - Restrictions on Subscriptions and Switches into Certain Funds or Classes" and Appendix III of the Luxembourg Prospectus for more details.**

## 8. Subscription For Shares (continued)

### 8.2

#### Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount

As at the date of registration of this Singapore Prospectus, the minimum initial and subsequent subscription amounts per shareholder in the Shares of the Funds are as follows:

Fund	Share Class	Minimum Initial Subscription Amount	Minimum Subsequent Subscription Amount
SAS Commodity Fund	A Accumulation (SGD Hedged)	USD 10,000 (or equivalent)	USD 5,000 (or equivalent)
	A Accumulation (USD)	USD 10,000	USD 5,000
	A Accumulation (EUR Hedged)	USD 10,000 (or equivalent)	USD 5,000 (or equivalent)
	C Accumulation (USD)	USD 250,000	USD 125,000
	I Accumulation (USD)	USD 5,000,000	USD 2,500,000
	I Distribution (USD)	USD 5,000,000	USD 2,500,000
SAS Agriculture Fund	A Accumulation (SGD Hedged)	USD 10,000 (or equivalent)	USD 5,000 (or equivalent)
	A Accumulation (USD)	USD 10,000	USD 5,000
	A Accumulation (EUR Hedged)	USD 10,000 (or equivalent)	USD 5,000 (or equivalent)
SAS Gold and Precious Metals Fund	A Accumulation (SGD Hedged)	USD 10,000 (or equivalent)	USD 5,000 (or equivalent)
	A Accumulation (USD)	USD 10,000	USD 5,000
	A Accumulation (EUR Hedged)	USD 10,000 (or equivalent)	USD 5,000 (or equivalent)

The Directors reserve the right at any time to vary or waive the minimum subscription requirements generally or in any particular case. The amounts are stated in the relevant currency, although the Directors may at their discretion also accept near equivalent amounts in any other freely convertible currency.

### 8.3

#### Dealing Cut-off Time and Pricing Basis

The Shares of the Funds shall be issued on a forward pricing basis. Accordingly, the issue price of Shares shall not be ascertainable at the time of application. The issue price of Shares of any Share Class will vary from day to day in line with the net asset value of that Share Class.

Shares of any Share Class are available for subscription up to 1.00 pm (Luxembourg time) on any Dealing Day<sup>8</sup> (the “**Dealing Cut-off Time**”).

Investors in Singapore however must place orders for subscription through any duly appointed distributor of the Funds. In order to subscribe for Shares on any Dealing Day, a properly completed share application form, together with any relevant supporting documents and subscription monies must be received by a duly appointed distributor

<sup>8</sup> Please see Footnote 6 of this Singapore Prospectus.

## 8. Subscription For Shares (continued)

of the relevant Share Class on or before 5.00 p.m. (Singapore time) on a Singapore Business Day<sup>9</sup> (“**Singapore Cut Off Time**”). The relevant distributor will collect all orders it receives on or before the Singapore Cut Off Time and will forward such orders to the Singapore Representative for processing with the Management Company or its administrative agent. **Investors should note that the subscription of Shares via the distributors in Singapore will be subject to the relevant distributors being open for business, and also to the subscription and settlement procedures of the distributors. Investors should also note that not all distributors in Singapore will offer all the Funds or all Share Classes of a Fund, and the distributors may impose an earlier dealing or payment cut-off time than that specified in this Singapore Prospectus. Investors should therefore check with the relevant distributor for further details.**

Orders received by a duly appointed distributor of the Funds in Singapore on or before the Singapore Cut Off Time on a Singapore Business Day will, if accepted by the Management Company or its administrative agent prior to the Dealing Cut-off Time of the relevant Dealing Day, be processed on the same Dealing Day and dealt with at the issue price based on the net asset value per Share of the same Dealing Day. Orders received by the distributors after the Singapore Cut Off Time on a Singapore Business Day or at any time on a day which is not a Singapore Business Day shall be deemed as having been received by the distributors before the Singapore Cut Off Time on the next Singapore Business Day.

Details of determining the net asset value is set out under the section headed “SHARE DEALING - Subscription for Shares” in the Luxembourg Prospectus.

### 8.4

#### Numerical Example of How Shares are Allotted

The following is an illustration of the number of Shares that will be issued based on a subscription amount of \$1,000 and a notional issue price of \$10.00 per Share for all the Funds except for Share Class I of the SAS Commodity Fund, and a notional issue price of \$100.00 per Share for Share Class I of the SAS Commodity Fund.

#### All the Funds except for Share Class C and Share Class I of the SAS Commodity Fund

\$1,000	-	\$50	=	\$950	/	\$10.00	=	95 Shares
<i>Subscription Amount</i>		<i>Notional Initial Charge of 5%</i>		<i>Net Subscription Amount</i>		<i>Notional Issue Price</i>		<i>Shares Issued</i>

#### Share Class C of the SAS Commodity Fund

\$1,000	-	\$10	=	\$990	/	\$10.00	=	99 Shares
<i>Subscription Amount</i>		<i>Notional Initial Charge of 1%</i>		<i>Net Subscription Amount</i>		<i>Notional Issue Price</i>		<i>Shares Issued</i>

#### Share Class I of the SAS Commodity Fund

\$1,000	/	\$1,000	=	10 Shares
Subscription Amount		Notional Issue Price		Shares Issued

**Investors should note that the above examples are for illustrative purposes only, and that the actual issue price will fluctuate according to the net asset value of the relevant Share Class as well as the applicable initial charge.**

<sup>9</sup> “Singapore Business Day” means a day (other than a Saturday or a Sunday) on which banks in Singapore are open for normal banking business.



## 8. Subscription For Shares (continued)

### 8.5

#### Confirmations of Transactions

A confirmation of transaction will normally be sent by the Singapore Representative to an investor or the relevant distributor in Singapore (as the case may be) within 10 Singapore Business Days from the date of receipt and acceptance of their subscription and subscription monies by the Management Company, as applicable.

### 8.6

#### No Right of Cancellation of Subscriptions

Investors should note that no cancellation period is available, and investors will not be allowed to cancel their subscriptions for Shares of any Share Class of the Funds.

### 8.7

#### Regular Savings Plan

There is currently no regular savings plan in respect of the Funds.

## 9. Redemption Of Shares

### 9.1

#### Redemption Procedure

Shares of the Funds may be redeemed on any Dealing Day. Singapore investors may redeem their Shares via the same distributor in Singapore through whom they originally purchased the Shares.

Orders for redemption of Shares should be made on a share redemption form and sending it, together with such documents as may be required by the Company, to the relevant distributor in Singapore on or before the Singapore Cut Off Time (as set out in paragraph 8.3 above).

Full details on the redemption procedure are set out under the section headed "SHARE DEALING - Redemption and Switching of Shares" in the Luxembourg Prospectus.

### 9.2

#### Minimum Holding Amount and Minimum Realisation Amount

A shareholder may redeem all or part of their holding in a Share Class, provided that, if the request would reduce his shareholding in that Share Class below the minimum holding amount as outlined in the table below, such request will be treated as a request to redeem his entire shareholding in that Share Class, unless the Company otherwise determines.

Fund	Share Class	Minimum Holding Amount
SAS Commodity Fund	A Accumulation (SGD Hedged)	USD 10,000 (or equivalent)
	A Accumulation (USD)	USD 10,000
	A Accumulation (EUR Hedged)	USD 10,000 (or equivalent)
	C Accumulation (USD)	USD 250,000
	I Accumulation (USD)	USD 5,000,000
	I Distribution (USD)	USD 5,000,000
SAS Agriculture Fund	A Accumulation (SGD Hedged)	USD 10,000 (or equivalent)
	A Accumulation (USD)	USD 10,000
	A Accumulation (EUR Hedged)	USD 10,000 (or equivalent)
SAS Gold and Precious Metals Fund	A Accumulation (SGD Hedged)	USD 10,000 (or equivalent)
	A Accumulation (USD)	USD 10,000
	A Accumulation (EUR Hedged)	USD 10,000 (or equivalent)

## 9. Redemption Of Shares (continued)

The Company reserves the right at any time to vary or waive these minimum holding amounts generally or in any particular case.

There is currently no minimum realisation amount for redemption of Shares in the Funds.

### 9.3

#### Dealing Cut-off Time and Pricing Basis

The redemption price per Share is calculated on a forward pricing basis. Therefore, the redemption price of Shares will not be ascertainable at the time of the redemption request. The redemption price for the Shares is based on the net asset value per Share calculated on each Dealing Day. Details of determining the net asset value and the valuation of investments of the Funds are set out under the section headed "SHARE DEALING - Calculation of Net Asset Value" in the Luxembourg Prospectus.

Investors in Singapore may place orders to redeem Shares of any Share Class up to the Singapore Cut Off Time (as set out in paragraph 8.3 above) on any Singapore Business Day. The relevant distributor shall collect all orders received on or prior to the Singapore Cut-Off Time and will forward such orders to the Singapore Representative for processing with the Management Company or its administrative agent. **Investors should note that the redemption of Shares via the distributors in Singapore will be subject to the relevant distributors being open for business, and also to the redemption procedure of the distributors. Distributors may impose an earlier dealing cut-off times than that specified in this Singapore Prospectus, thus investors should check with the relevant distributor for further details.**

Redemption orders received by the distributors on or before the Singapore Cut Off Time on a Singapore Business Day will, if accepted by the Management Company or its administrative agent prior to the Dealing Cut-off Time on a Dealing Day, be processed on the same Dealing Day and dealt with at the redemption price based on the net asset value per Share of the same Dealing Day. Redemption orders received by the distributors after the Singapore Cut Off Time on a Singapore Business Day or at any time on a day which is not a Singapore Business Day shall be deemed as having been received by the distributors before the Singapore Cut Off Time on the next Singapore Business Day.

### 9.4

#### Numerical examples of calculation of redemption proceeds

The following is an illustration of the redemption proceeds payable based on a redemption order for 1,000 Shares and a notional redemption price of (i) \$10.10; and (ii) \$10.90 per Share for all the Funds except for Share Class I of the SAS Commodity Fund, and a notional redemption price of \$100.90 per Share for Share Class I of the SAS Commodity Fund.

#### All the Funds except for Share Class I of the SAS Commodity Fund

1,000 Shares	x	\$10.10	=	\$10,100.00	-	\$0	=	\$10,100.00
Redemption request		Notional redemption price		Gross redemption proceeds		Current redemption charge		Net redemption proceeds

OR

1,000 Shares	x	\$10.90	=	\$10,900.00	-	\$0	=	\$10,900.00
Redemption request		Notional redemption price		Gross redemption proceeds		Current redemption charge		Net redemption proceeds

#### Share Class I of the SAS Commodity Fund

1,000 Shares	x	\$100.90	=	\$100,900.00	-	\$0	=	\$100,900.00
Redemption request		Notional redemption price		Gross redemption proceeds		Current redemption charge		Net redemption proceeds

## 9. Redemption Of Shares (continued)

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**Investors should note that the above examples are for illustrative purposes only, and that the actual redemption price will fluctuate according to the net asset value of the relevant Share Class as well as the applicable redemption charge, if any.**

### 9.5

#### Payment of Redemption Proceeds

Redemption proceeds will normally be made within 6 Business Days<sup>10</sup> from the relevant Dealing Day on which a redemption order is received and accepted by the Management Company or its administrative agent.

Where shareholders have invested via a duly appointed distributor of the Funds in Singapore, redemption proceeds will normally be paid by the Company to the relevant distributor in Singapore. Singapore shareholders will receive the proceeds of redemption from the relevant distributor in Singapore in accordance with such instructions as agreed between the Singapore shareholder and the relevant distributor. Singapore shareholders should contact the relevant distributor for further details, as the redemption procedure, dealing cut-off time and/or payment policy amongst the distributors may vary.

### 9.6

#### Minimum Fund Size

If and when the net assets of all Share Classes in a Fund are less than EUR 50,000,000 (or its equivalent in another currency), or in the case of a Share Class, such Share Class falls below the amount of EUR 10,000,000 (or its equivalent in another currency), or such other amounts as may be determined by the Directors from time to time to be the minimum level for assets of such Fund to be operated in an economically efficient manner or if any economic or political situation would constitute a compelling reason therefor, or if required in the interest of the shareholders of the relevant Fund, the Directors may subject to regulatory approval decide to redeem all the Shares of that Fund. In any such event, shareholders of the relevant Fund will be notified via a notice published by the Company in accordance with applicable Luxembourg laws and regulations prior to compulsory redemption, and will be paid the net asset value of the Shares of the relevant Share Class held as at the redemption date.

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<sup>10</sup> Provided that such Business Days are also Singapore Business Days. In the event that such Business Days are not also Singapore Business Days, the period within which the redemption proceeds will normally be paid shall be extended accordingly.

## 10. Switching Of Shares

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A shareholder may switch his Shares in a particular Share Class of a Fund into Shares of another Share Class, either within the same Fund or different Funds within the Company, subject to the payment of a switching fee (as set out in paragraph 6 above) and subject to paragraph 2.4 above in relation to the switching of Share into I Shares. The same procedures apply to the submission of switching applications as apply to the redemption of Shares.

Instructions to switch Shares between Share Classes denominated in different currencies will be accepted. A currency exchange service for such switches is provided by the Management Company on behalf of, and at the cost and risk of, the shareholder. Further information is available from the Management Company or any of the duly appointed distributors on request.

Further details on the switching procedures are set out under the section headed "SHARE DEALING - Redemption and Switching of Shares" in the Luxembourg Prospectus.

### **Restriction on switches into certain funds or classes**

**Investors should note that a Fund or Share Class may be closed to switches (but not to redemptions or switches out) if, in the opinion of the Management Company, the closure is necessary to protect the interests of existing shareholders. Once closed, a Fund, or Share Class, will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail.**

**Investors should also note that the SAS Agriculture Fund, the SAS Commodity Fund and the SAS Gold and Precious Metals Fund may be capacity constrained and therefore the Funds or some of their Share Classes may be closed to switches without notice to shareholders. Please refer to the section headed "SHARE DEALING - Restrictions on Subscriptions and Switches into Certain Funds or Classes" and Appendix III of the Luxembourg Prospectus for more details.**

## 11. Obtaining Price Information In Singapore

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The indicative issue prices and redemption prices of the Shares (other than I Shares) are normally published in Singapore in the major newspapers, such as The Straits Times and The Business Times, within 2 Singapore Business Days immediately succeeding each Singapore Business Day. **Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the newspaper publisher concerned. The Company, the Management Company and the Singapore Representative do not accept any responsibility for any errors on the part of the publishers concerned in the prices published in the newspaper or for any non-publication or late publication of prices by such publisher.**

The indicative issue prices and redemption prices of I Shares may be obtained directly from the Company, the Management Company and the Singapore Representative.

Please also refer to the provisions under "Price Information" in the section headed "SHARE DEALING - Subscription for Shares" of the Luxembourg Prospectus and the provisions under the section headed "GENERAL INFORMATION – Documents of the Company" in the Luxembourg Prospectus for other sources of price information.

## 12. Temporary Suspension Of The Calculation Of The Net Asset Value And Issue, Switching And Redemption Of Shares

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The Company may temporarily suspend the calculation of the net asset value and the issue, switching and redemption of Shares in the circumstances described in the section headed "SHARE DEALING - Suspensions or Deferrals" in the Luxembourg Prospectus.

# 13. Performance Of The Funds

## 13.1

Performance of the Funds (as at 31 March 2014) <sup>11</sup>

Fund / Share Class	1 Year	3 Years	5 Years	10 Years	Since Inception
	<b>(Average annual compounded return)</b>				
<b>SAS Commodity Fund</b>					
A Accumulation (SGD Hedged) (Date of inception: 21/09/2007)	-8.57%	-9.50%	3.09%	N.A.	-3.72%
A Accumulation (USD) (Date of inception: 31/10/2005)	-8.42%	-9.01%	3.68%	N.A.	2.34%
A Accumulation (EUR Hedged) (Date of inception: 31/10/2005)	-8.66%	-9.64%	2.88%	N.A.	1.06%
C Accumulation (USD) (Date of inception 31/10/2005)	-5.84%	-7.68%	4.85%	N.A.	3.06%
I Accumulation (USD) (Date of inception: 31/10/2005)	-1.72%	-5.83%	6.77%	N.A.	4.89%
I Distribution (USD) (Date of inception: 18/12/2009)	-1.72%	-5.83%	N.A.	N.A.	2.05%
<b>SAS Agriculture Fund</b>					
A Accumulation (SGD Hedged) (Date of inception: 15/02/2008)	-9.20%	-10.26%	1.94%	N.A.	-6.21%
A Accumulation (USD) (Date of inception: 27/10/2006)	-9.21%	-9.57%	2.37%	N.A.	0.47%
A Accumulation (EUR Hedged) (Date of inception: 27/10/2006)	-9.35%	-10.06%	1.77%	N.A.	-0.35%
<b>SAS Gold and Precious Metals Fund</b>					
A Accumulation (SGD Hedged) (Date of inception: 29/08/2008)	-28.81%	-14.73%	0.48%	N.A.	-3.97%
A Accumulation (USD) (Date of inception: 07/07/2008)	-28.53%	-14.26%	1.27%	N.A.	-5.02%
A Accumulation (EUR Hedged) (Date of inception: 07/07/2008)	-28.97%	-14.81%	0.55%	N.A.	-6.01%

**Investors should note that past performance of the Share Classes is not necessarily indicative of the future performance of the Share Classes.**

Due to the nature of the Funds being managed as absolute return funds, no representative benchmarks for the Funds or their Share Classes are available.

**Although the Funds are benchmark-unconstrained (i.e., they will be actively managed without reference to any specific benchmark from an asset allocation perspective), investors should be aware that for performance comparison purposes the Investment Manager will nonetheless compare the Funds' performances with the most commonly quoted commodity indices.**

<sup>11</sup> The performance of each of the Share Class is calculated on a single pricing basis (taking into account the applicable fees and charges when subscribing and realising Shares), with dividends (if any) reinvested net of all charges payable upon reinvestment and in SGD, USD or Euro terms, as applicable.

# 13. Performance Of The Funds (continued)

## 13.2

### Expense Ratios and Turnover Ratios

The expense ratios<sup>12</sup> of the Share Classes and the turnover ratios<sup>13</sup> of the Funds for the financial period ended 30 September 2013 are as follows:

Fund	Share Class	Expense Ratio (%)	Turnover Ratio (%)
SAS Commodity Fund	A Accumulation (SGD Hedged)	1.97	16.73
	A Accumulation (USD)	1.97	
	A Accumulation (EUR Hedged)	1.97	
	C Accumulation (USD)	1.28	
	I Accumulation (USD)	0.06	
	I Distribution (USD)	0.06	
SAS Agriculture Fund	A Accumulation (SGD Hedged)	2.24	8.44
	A Accumulation (USD)	2.24	
	A Accumulation (EUR Hedged)	2.24	
SAS Gold and Precious Metals Fund	A Accumulation (SGD Hedged)	1.89	26.10
	A Accumulation (USD)	1.89	
	A Accumulation (EUR Hedged)	1.89	

# 14. Soft Dollar Commissions / Arrangements

The Management Company and/or the Investment Manager may from time to time receive or enter into soft-dollar commissions/arrangements in respect of the Funds.

The Management Company and/or the Investment Managers may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Management Company and/or the Investment Manager, including the Company, and where the Management Company or the Investment Manager is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Company. Any such arrangements must be made by the Management Company and/or the Investment Manager on terms commensurate with best market practice.

<sup>12</sup> The expense ratios are calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "**IMAS Guidelines**") and based on figures in the Company's latest audited accounts. The following expenses, and such other expenses (where applicable) as may be set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

- brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- interest expenses;
- foreign exchange gains and losses of the Share Class, whether realised or unrealised;
- front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- tax deducted at source or arising from income received, including withholding tax; and
- dividends and other distributions paid to shareholders.

<sup>13</sup> The turnover ratio is the expression of the difference between the total of the purchases and sales of securities and the total of the redemptions and subscriptions incurred by each Fund during the year under audit divided by the average net assets of the same Fund over the same period.

## 15. Conflict Of Interests

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The Management Company, the Investment Manager and the Singapore Representative are all part of the Schroder group. The Directors acknowledge that by virtue of the functions which each subsidiary will perform in connection with the Company, conflicts of interest may arise. In such circumstances, each subsidiary has undertaken to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Funds and the shareholders are not unfairly prejudiced and shall act on arm's length basis. The Directors believe that each of the Management Company, the Investment Manager and the Singapore Representative is suitable and competent to perform their respective functions.

Please refer to the "Potential Conflicts of Interest" in the section "RISKS OF INVESTMENT" in Appendix II of the Luxembourg Prospectus for further details on the potential conflicts of interests in relation to the Company.

## 16. Reports

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The financial year end for the Company is 30 September.

The annual report is published within 4 months after the end of the financial year and the semi-annual report is published within 2 months after the end of the period to which it is made up and may be sent to shareholders in accordance with applicable Luxembourg laws. Copies of the reports are also available for inspection at the operating office of the Singapore Representative.

Provisions relating to reports are set out under "Reports" in the section headed "GENERAL INFORMATION - Meetings and Reports" of the Luxembourg Prospectus.

## 17. Other Material Information

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### 17.1

#### Treatment of personal data

Each time an individual investor voluntarily provides his or her personal data in order to carry out a transaction in relation to the Company or any Fund, the individual investor is deemed to have consented to the following:

- that the Management Company and its related corporations from time to time (the "**Schroder Group**") shall collect, store and maintain the personal data and other information relating to the individual investor as received (whether in writing, electronically or otherwise) as part of the records of the Company or the relevant Fund maintained by the Schroder Group;
- that such personal data collected, stored and maintained shall be used for the purposes of account maintenance and transaction purposes from time to time including but not limited to the processing of such personal data for record keeping purposes, compliance and regulatory (including complying with any anti-money laundering regulations) purposes, legal purposes, audit purposes, tax (including tax reporting) purposes and for the purpose of providing the individual investor with regular statements of account and other notices;
- that such personal data collected, stored and maintained shall be provided to and processed by third parties for the above purposes from time to time including but not limited to the registrar of the Company, the agents and



# 17. Other Material Information (continued)

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service providers employed by the Schroder Group, the distributors, banks, insurers, fund managers, and other intermediaries of the Schroder Group, and the professional advisers to the Schroder Group of companies for the above purposes;

- that such personal data collected, stored and maintained shall be provided to any and all applicable regulatory authorities (including the Inland Revenue Authority of Singapore, the Central Provident Fund Board and the MAS) upon request or as may be required by applicable law or regulation from time to time; and
- that such personal data shall be stored, maintained, used, processed, transferred or held in Singapore or outside Singapore, as the Schroder Group shall consider appropriate.

## 17.2

### Distribution Policy of the Funds

No dividends are currently expected to be declared or paid for the Shares of the A Accumulation, the C Accumulation and the I Accumulation Share Classes of the Funds.

It is intended that the Company will distribute dividends to holders of the I Distribution Share Class of the SAS Commodity Fund in the form of cash in the Fund's currency. Annual dividends are declared separately in respect of such I Distribution Share Class at the annual general meeting of shareholders. In addition, the Directors may declare interim dividends in respect of such I Distribution Share Class.

Please refer to the section headed "GENERAL INFORMATION - Dividends" in the Luxembourg Prospectus for information on the general dividend policy of the Company.

## 17.3

### Tax Considerations

Investors should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or other kind of tax on distributions or deemed distributions of the Funds, capital gains within the Funds, whether or not realised, income received or accrued or deemed received within the Funds. **Please note that the information provided therein is not exhaustive and does not constitute tax or legal advice. Investors who are in doubt of their tax position should consult their own independent tax advisors.**

#### 17.3.1

##### **Certain Singapore Tax Considerations**

The following discussion is a summary of the material Singapore income tax consequences of the purchase, ownership and disposal of Shares of the Share Classes to a holder of such Shares who is a tax resident in Singapore. This discussion does not purport to be a comprehensive description of all of the Singapore tax considerations that may be relevant to a decision to purchase, own or dispose of Shares of the Share Classes and does not purport to deal with the Singapore tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective investors of Shares of the Share Classes should consult their own tax advisers as to the Singapore or other tax consequences of the purchase, ownership or disposal of Shares of the Share Classes including, in particular, the effect of any foreign, state or local tax laws to which they are subject. Each prospective investor should inform himself of, and where appropriate take advice on, the taxes applicable to the acquisition, holding and redemption of Shares of the Share Classes by him under the laws of the places of his citizenship, residence and domicile.

Under present Singapore tax law and practice as at the date of registration of this Singapore Prospectus:-

(i)

The Company is not expected to be subject to Singapore tax in respect of any of its authorised activities, on the assumption that the Company has no permanent establishment in Singapore, does not carry on any business in Singapore and does not derive any Singapore-sourced income;

# 17. Other Material Information (continued)

(ii) Individuals resident in Singapore are exempt from Singapore tax on dividends or income distributions received from the Funds\* (assuming that the dividends and income distributions are not derived through a partnership in Singapore and not treated as Singapore-sourced for the investor). Dividends or income distributions from the Funds may be treated as Singapore-sourced income in the hands of an individual investor where the dividends or income distributions constitute gains or profits from a trade or business carried on by the investor in Singapore;

(iii) Corporates or other entities resident in Singapore will be taxed on the dividends or income distributions received from the Funds at the applicable corporate tax rates. The point of taxation may be on receipt in Singapore (for entities receiving the dividends or income distributions as passive income) or upon such income being derived (for entities receiving the dividends or income distributions as income from a trade or business carried on in Singapore). There are certain exemptions available to Singapore-resident entities on foreign-sourced dividends received by them, subject to certain conditions being met; and

(iv) Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of gains. In general, gains from the disposal of the Shares may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore. Tax exemption may be available on gains or profits derived by a company from the disposal of ordinary shares in another company where (i) the legal and beneficial ownership of at least 20% of the issued ordinary shares in that company has been held for a period of at least 24 months prior to the disposal and (ii) such disposal is made during the period from 1 June 2012 to 31 May 2017.

In addition, investors who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 Financial Instruments - Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of Shares of the Share Classes is made.

*\* This follows from the provisions of Singapore income tax law under which individuals resident in Singapore are exempt from Singapore tax on all foreign-source income received in Singapore, other than income received through a partnership in Singapore, on or after 1 January 2004. Such exemption extends only to individuals and not to corporates or other persons or entities.*

## 17.3.2

### **Other Tax Considerations**

Please refer to the section headed "GENERAL INFORMATION - Taxation" in the Luxembourg Prospectus for a summary of other tax considerations in relation to the Company and the Funds.

## 17.4

### **Liquidation of the Company and Merging of Funds**

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an extraordinary general meeting of shareholders, at which meeting one or several liquidators will be named and their powers defined. Where this occurs, liquidation will be carried out in accordance with the provisions of Luxembourg law and the net proceeds of liquidation corresponding to each Fund shall be distributed by the liquidators to the shareholders of the relevant Fund in proportion to the value of their holding of Shares.

The Directors may, subject to regulatory approval decide to redeem, liquidate, reorganise or contribute all the Shares in a Fund into another Fund of the Company or into another UCI if and when the net assets of all Share Classes in that Fund are less than EUR 50,000,000 (or its equivalent in another currency), or in the case of a Share Class, such Share Class falls below the amount of EUR 10,000,000 (or its equivalent

## 17. Other Material Information (continued)

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in another currency), or such other amounts as may be determined by the Directors from time to time to be the minimum level for assets of such Fund to be operated in an economically efficient manner or if any economic or political situation would constitute a compelling reason therefor, or if required in the interest of the shareholders of the relevant Fund. In any such event shareholders will be notified by a notice published by the Company in accordance with applicable Luxembourg laws and regulations prior to compulsory redemption, liquidation or contribution to another Fund or to another UCI and, in the case of a compulsory redemption, will be paid the net asset value of the Shares of the relevant Share Class held as at the redemption date.

In case of contribution to another UCI of the mutual fund type, the merger will be binding only on shareholders of the relevant Fund who will expressly agree to the merger.

Under the same circumstances as described above, subject to regulatory approval the Directors may also decide upon the reorganisation of any Fund by means of a division into two or more separate Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more separate Funds resulting from the reorganisation.

The decision to merge, liquidate or reorganise a Fund may also be taken at a meeting of shareholders of the particular Fund concerned.

Any liquidation proceeds not claimed by the shareholders at the close of the liquidation of a Fund will be deposited in escrow at the "Caisse de Consignation". Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

Please refer to the provision on "Rights on a winding-up" under the section headed "GENERAL INFORMATION - Details of Shares" in the Luxembourg Prospectus. General information on the shareholder rights and voting as well as on compulsory redemption may also be found in that section.

### 17.5

#### MSCI disclaimer (Source: MSCI)

The information obtained from MSCI and other data providers, included in this Prospectus, may only be used for the investor's internal use, may not be reproduced or re-disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information and that of other data providers is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling or creating any MSCI information (collectively, the "**MSCI Parties**") and other data providers, expressly disclaim all warranties (including, without limitation any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party or other data provider have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

## 18. Queries And Complaints

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Singapore investors may contact the Singapore Representative at (65) 6534 4288 or at its operating office during normal business hours to raise any queries or complaints regarding the Company or any Fund.

# Appendix 1

Illustration on the calculation of the performance fee for the SAS Commodity Fund and the SAS Agriculture Fund

### Assumptions

1 investor holding 1 share in a Fund

Fund's launch price is 100

The High Water Mark ("HWM") also starts at 100

End of Year	High Water Mark (HWM)	Fund NAV per share	Fund Performance	Performance Fee Paid and HWM increased?	Positive out performance from which fee is calculated (over the period)	Performance fee payable to the manager
0	100	100				
1	100	108	8.0%	Yes	10% of 8%	0.80%
2	108	107	-0.9%	No	0	
3	108	115	6.5%	Yes	10% of 6.5%	0.65%
4	115	99	-13.9%	No	0	0%
5	115	95	-17.4%	No	0	0%
6	115	125	8.7%	Yes	10% of 8.7%	0.87%
7	125	118	-5.6%	No	0	0%
8	125	123	-1.6%	No	0	0%
9	125	140	12.0%	Yes	10% of 12%	1.20%
10	140	131	-6.4%	No	0	0%

1st Performance Period
2nd Performance Period
3rd Performance Period
4th Performance Period
5th Performance Period... ongoing until both outperformance and HWM exceeded

Notes:

- If a performance fee is paid at the end of a year the HWM is increased to the level of the NAV at which it was paid.
- Despite a 1 year increase in the Fund NAV between years 7 & 8 a performance fee is not payable at the end of year 8 as the fund is still underperforming the HWM which dates back to the end of year 6.

Investors should note that the fund performance or performance (positive or negative) referred to in the above table is the difference between a Fund's net asset value and the High Water Mark for the relevant performance period, and is not indicative nor is it meant to refer to the actual performance or returns of any of the Funds.

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**NAME:**  
**DIRECTOR OF SCHRODER INVESTMENT  
MANAGEMENT (SINGAPORE) LTD**

**SIGNED FOR AND ON BEHALF OF:**

**GEORGES-ARNAUD SAIER**

**DANIEL DE FERNANDO GARCIA**

**JACQUES ELVINGER**

**NEIL WALTON**

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**NAME:**  
**DIRECTOR OF SCHRODER INVESTMENT  
MANAGEMENT (SINGAPORE) LTD**

**SIGNED FOR AND ON BEHALF OF:**

**ACHIM KUESSNER**

**KETIL PETERSEN**

**MIKE CHAMPION**

**CARLO TRABATTONI**

**MARIE-JEANNE CHEVREMONT-LORENZINI**

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**This Product Highlights Sheet is an important document.**

- It highlights the key terms and risks of this investment product and complements the Singapore Prospectus (the “Prospectus”) <sup>1</sup>.
- 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 Alternative Solutions Agriculture Fund (the “Fund”)**

Product Type	Collective Investment Scheme	Inception Date	A Accumulation (USD) and A Accumulation (EUR Hedged): 27 October 2006 A Accumulation (SGD Hedged): 15 February 2008
Management Company	Schroder Investment Management (Luxembourg) S.A.	Custodian	J.P. Morgan Bank Luxembourg S.A.
Investment Manager	Schroder Investment Management Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 30 September 2013	A Accumulation (USD), A Accumulation (EUR Hedged) and A Accumulation (SGD Hedged): 2.24%
Name of Guarantor	Not Applicable		

**PRODUCT SUITABILITY****WHO IS THE PRODUCT SUITABLE FOR?**

The Fund is only suitable for investors who:

- seek long-term capital growth from active commodity management; and
- accept that an investment in the Fund involves a high degree of risk and are able and willing to take such a risk, including the loss up to 100% of their investment in the Fund.

**Further Information**

Refer to Para 5 and 7.2.2 on page 15-20 and 30-31 of the Prospectus for further information on product suitability.

**KEY PRODUCT FEATURES****WHAT ARE YOU INVESTING IN?**

You are investing in a sub-fund of Schroder Alternative Solutions which is domiciled in Luxembourg that aims to generate growth in the long term through investment in agricultural commodity related instruments globally.

Schroder Alternative Solutions is an open-ended investment company with limited liability, organised as a “société anonyme” and qualifies as a Société d’Investissement à Capital Variable (SICAV) under part II of the Law of the Grand Duchy of Luxembourg and as an alternative investment fund within the meaning of article 1(39) of the 2013 Law.

Refer to the cover page and Para 1, 2.1 and 5.2.1 on page 7, 8 and 15-16 of the Prospectus for further information on the features of the product.

**Investment Strategy**

The Fund will be exposed to a range of agricultural commodities globally, and may invest in any sector of the agricultural commodity market in the discretion of the Investment Manager.

The Fund will be actively managed and will invest predominantly in a range of agricultural commodity related derivative instruments, principally comprising futures and other commodity linked derivative instruments such as swaps on physical commodities and futures on commodity indices, and structured notes.

The Fund will not acquire any physical commodities directly nor will it enter into any contracts relating to physical commodities other than commodity futures, warrants, swaps, and options contracts. The Fund will typically seek to gain exposure to the commodity markets by investing in commodity futures and commodity related total return swaps. A swap allows the Fund to create exposure to a specific commodity.

To a lesser extent, the Fund will also invest in equities, debt securities, convertible securities, warrants of issuers in commodity related industries, and may also for purposes of hedging only invest in foreign currency such as forward currency contracts, currency options and swaps on currencies, and cash or cash equivalents including certificates of deposit, treasury bills and floating rate notes.

Refer to the “Important Information” section and Para 5 on page 15-20 of the Prospectus for further information on the investment strategy of the Fund.

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



Investors should note that the Fund intends to use or invest in financial derivatives and that the net asset value of the Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.

## Parties Involved

### WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder Alternative Solutions.
- The Management Company is Schroder Investment Management (Luxembourg) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The custodian for the Fund is J.P. Morgan Bank Luxembourg S.A..
- The Singapore Representative and agent for service of process is Schroder Investment Management (Singapore) Ltd.

*Refer to Para 1, 2, 3 and 4 on page 7-14 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 7 on page 23-32 of the Prospectus for further information on risks of the product.*

## Market and Credit Risks

### You are exposed to market risks.

- The Fund will be subject to the market movements in agricultural markets.

*Refer to Para 7.2.4 on page 32 of the Prospectus for further information.*

## Liquidity Risks

There is no secondary market for the Fund in Singapore. All redemption requests should be made to the distributor of the Fund through whom you originally purchased the shares in the Fund.

*Refer to the "Important Information" section and Para 9.1 on page 36 of the Prospectus for further information.*

## Product-Specific Risks

### You are exposed to the risk of long only and unleveraged commodity market exposures.

- Risks associated with an investment in the Fund are mostly related to long only and unleveraged commodity market exposures, along with the associated risks of the instrument used to gain such exposures.

*Refer to Para 7.1.2, 7.1.9, 7.1.15, 7.1.16, 7.2.2 on page 23-26 and 30-31 of the Prospectus for further information.*

### You are exposed to the risk of investments in commodity-linked derivative instruments.

- Investments in commodity-linked derivative instruments may subject the Fund to greater volatility than in traditional securities. The Fund may also be exposed to an operational risk of mismatch of commodity derivative instruments.

### You are exposed to financial derivative instrument (FDI) risk.

- The Fund may use FDIs extensively to meet its specific investment objective. FDIs exposure may lead to a high risk of capital loss. Risks associated with FDIs mainly include counterparty risk and over-the-counter ("OTC") transaction risks.
  - **Counterparty risk** – Schroder Alternative Solutions will be subject to the risk of the inability of any counterparty through or with which it conducts the FDIs transactions to perform its obligations, whether due to insolvency, bankruptcy or other causes.
  - **OTC transaction risks** – The prices of FDIs traded in OTC markets may be more volatile and the FDIs may be less liquid than instruments principally traded on exchanges. The prices of FDIs may include an undisclosed dealer mark-up which the Fund may pay as part of the purchase price.

### You have no guarantee that the Fund will achieve its investment objective.

- Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macroeconomic 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 the Fund.

## 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:

Initial charge	• Up to 5.0%
Redemption charge	• Nil
Switching fee	• Up to 1%

#### Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Investment management fee	• Up to 1.75% per annum
Administration charge	• Up to 0.40% per annum
Performance fee	• 10% of the absolute return subject to a High Water Mark

Refer to Para 6 on page 21-22 of the Prospectus for further information on fees and charges.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

The indicative issue prices and redemption prices of the Fund are normally published in Singapore in the major newspapers, such as The Straits Times and The Business Times within 2 Singapore Business Days immediately succeeding each Singapore Business Day.

Refer to Para 8.6, 9 and 11 on page 36-39 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 may redeem all or part of your holding in a share class of the Fund, provided that, if the request would reduce your shareholding in that share class below the minimum holding amount, such request will be treated as a request to redeem your entire shareholding in that share class.

Redemption proceeds will normally be made within 6 Business Days from the relevant Dealing Day on which a redemption order is received and accepted by the Management Company or its administrative agent.

Your exit price is determined as follows:

- If you submit the redemption order on or before 5 pm (Singapore time) on a Singapore Business Day and such order is accepted by the Management Company or its administrative agent prior to 1 pm (Luxembourg time) of the relevant Dealing Day, you will be paid a price based on the net asset value of the Fund on that Dealing Day.
- If you submit the redemption order after 5 pm (Singapore time) on a Singapore Business Day, you will be paid a price based on the net asset value of the Fund on the next Dealing Day. The sale proceeds that you will receive will be the exit price multiplied by the number of units redeemed. Examples are as follows :

1,000 Shares Redemption request	x	\$10.10 Notional redemption price	=	\$10,100.00 Gross redemption proceeds	-	\$0 Current redemption charge	=	S\$10,100.00 Net redemption proceeds
1,000 Shares Redemption request	x	\$10.90 Notional redemption price	=	\$10,900.00 Gross redemption proceeds	-	\$0 Current redemption charge	=	S\$10,900.00 Net redemption proceeds

No cancellation period is available, and you cannot cancel your subscription for shares of any share class of the Fund.

## 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](http://www.schroders.com.sg)

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Distributor

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The Singapore Representative

## APPENDIX: GLOSSARY OF TERMS

**“2013 Law”** means the law of 12 July 2013 of the Grand Duchy of Luxembourg on alternative investment fund managers.

**“Dealing Day”** means, unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day which does not fall within a period of suspension of calculation of the net asset value per share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and / or regulated markets are open for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of Schroder Alternative Solutions which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of expected non-Dealing Days for the Fund is available from the Management Company on request and is also available on the Internet site [www.schroders.lu](http://www.schroders.lu).

**“Business Day”** means unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

**“High Water Mark”** means the net asset value per share at the end of any previous performance period.

**“Law”** means the law on undertakings for collective investment dated 17 December 2010, as amended.

**“Luxembourg Prospectus”** means the Luxembourg Prospectus for Schroder Alternative Solutions and such other supplementary prospectuses or addenda to the Luxembourg Prospectus that may be issued from time to time, attached to the Prospectus.

**“Singapore Business Day”** means a day (other than a Saturday or a Sunday) on which banks in Singapore are open for normal banking business.

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Singapore Prospectus (the “Prospectus”) <sup>1</sup>.
- 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 Alternative Solutions Commodity Fund (the “Fund”)

Product Type	Collective Investment Scheme	Inception Date	A Accumulation (USD): 31/10/2005 A Accumulation (SGD Hedged): 21/9/2007 A Accumulation (EUR Hedged): 31/10/2005 C Accumulation (USD): 31/10/2005
Management Company	Schroder Investment Management (Luxembourg) S.A.	Custodian	J.P. Morgan Bank Luxembourg S.A.
Investment Manager	Schroder Investment Management Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 30 September 2013	A Accumulation (USD): 1.97% A Accumulation (SGD Hedged): 1.97% A Accumulation (EUR Hedged): 1.97% C Accumulation (USD): 1.28%
Name of Guarantor	Not Applicable		

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek long-term capital growth from active commodity management; and
- as an investment in the Fund involves a high degree of risk, are able and willing to take such a risk, including the loss up to 100% of their investment in the Fund.

#### Further Information

Refer to Para 5 and 7.2.2 on page 15-20 and 30-31 of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder Alternative Solutions which is domiciled in Luxembourg that aims to generate growth in the long term through investment in commodity related instruments globally.

Schroder Alternative Solutions is an open-ended investment company with limited liability, organised as a “société anonyme” and qualifies as a Société d’Investissement à Capital Variable (SICAV) under part II of the Law of the Grand Duchy of Luxembourg and as an alternative investment fund within the meaning of article 1(39) of the 2013 Law.

Refer to the cover page and Para 1, 2.1 and 5.2.1 on page 7, 8 and 15-16 of the Prospectus for further information on the features of the product.

### Investment Strategy

The Fund will be exposed to a range of commodity sectors globally. Although it is anticipated that the Fund will be primarily invested in the energy, agriculture and metals sectors, the Fund may however invest in any sector of the commodity market at the discretion of the Investment Manager.

The Fund will be actively managed and will invest predominantly in a range of commodity related derivative instruments, principally comprising futures and other commodity linked derivative instruments such as swaps on physical commodities and futures on commodity indices, and structured notes.

Refer to the “Important Information” section and Para 5 on page 15-20 of the Prospectus for further information on the investment strategy of the Fund.

The Fund will not acquire any physical commodities directly nor will it enter into any contracts relating to physical commodities other than commodity futures, warrants, swaps, and options contracts. The

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

Fund will typically seek to gain exposure to the commodity markets by investing in commodity futures and commodity related total return swaps. A swap allows the Fund to create exposure to a specific commodity.

To a lesser extent, the Fund will also invest in equities, debt securities, convertible securities, warrants of issuers in commodity related industries, and may also for purposes of hedging only invest in foreign currency such as forward currency contracts, currency options and swaps on currencies, and cash or cash equivalents including certificates of deposit, treasury bills and floating rate notes.

**Investors should note that the Fund intends to use or invest in financial derivatives and that the net asset value of the Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.**

## Parties Involved

### WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder Alternative Solutions.
- The Management Company is Schroder Investment Management (Luxembourg) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The custodian for the Fund is J.P. Morgan Bank Luxembourg S.A..
- The Singapore Representative and agent for service of process is Schroder Investment Management (Singapore) Ltd.

*Refer to Para 1, 2, 3 and 4 on page 7-14 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 7 on page 23-32 of the Prospectus for further information on risks of the product.*

### Market and Credit Risks

**You are exposed to risks of market movements in the three main commodity sectors.**

- The Fund will be subject to the respective market movements in the three main commodity sectors, namely energy, metals and agriculture.

*Refer to Para 7.2.4 on page 32 of the Prospectus for further information.*

### Liquidity Risks

There is no secondary market for the Fund in Singapore. All redemption requests should be made to the distributor of the Fund through whom you originally purchased the shares in the Fund.

*Refer to the "Important Information" section and Para 9.1 on page 36 of the Prospectus for further information.*

### Product-Specific Risks

**You are exposed to the risk of long only and unleveraged commodity market exposures.**

- Risks associated with an investment in the Fund are mostly related to long only and unleveraged commodity market exposures, along with the associated risks of the instrument used to gain such exposures.

*Refer to Para 7.1.2, 7.1.9, 7.1.15, 7.1.16, 7.2.2 on page 23-26 and 30-31 of the Prospectus for further information.*

**You are exposed to the risk of investments in commodity-linked derivative instruments.**

- Investments in commodity-linked derivative instruments may subject the Fund to greater volatility than instruments in traditional securities. The Fund may also be exposed an operational risk of mismatch of commodity derivative instruments.

**You are exposed to financial derivative instrument (FDI) risk.**

- The Fund may use FDIs extensively to meet its specific investment objective. FDIs exposure may lead to a high risk of capital loss. Risks associated with FDIs mainly include counterparty risk and over-the-counter ("OTC") transaction risks.

- **Counterparty risk** – Schroder Alternative Solutions will be subject to the risk of the inability of any counterparty through or with which it conducts the FDIs transactions to perform its obligations, whether due to insolvency, bankruptcy or other causes.

- **OTC transaction risks** – The prices of FDIs traded in OTC markets may be more volatile and the FDIs may be less liquid than instruments principally traded on exchanges. The prices of FDIs may include an undisclosed dealer mark-up which the Fund may pay as part of the purchase price.

**You have no guarantee that the Fund will achieve its investment objective.**

- Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macroeconomic 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 the Fund.

## 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:

Initial charge	<b>A Accumulation:</b> • Up to 5.0%  <b>C Accumulation:</b> • Up to 1.0%
Redemption charge	• Nil
Switching fee	• Up to 1%

*Refer to Para 6 on page 21-22 of the Prospectus for further information on fees and charges.*

#### Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Investment management fee	<b>A Accumulation:</b> • Up to 1.50% per annum  <b>C Accumulation:</b> • 1.00% per annum
Administration charge	• Up to 0.4% per annum
Performance fee	• 10% of the absolute return subject to a High Water Mark

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

The indicative issue prices and redemption prices of the Fund are normally published in Singapore in the major newspapers, such as The Straits Times and The Business Times within 2 Singapore Business Days immediately succeeding each Singapore Business Day.

*Refer to Para 8.6, 9 and 11 on page 36-39 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 may redeem all or part of your holding in a share class of the Fund, provided that, if the request would reduce your shareholding in that share class below the minimum holding amount, such request will be treated as a request to redeem your entire shareholding in that share class.

Redemption proceeds will normally be made within 6 Business Days from the relevant Dealing Day on which a redemption order is received and accepted by the Management Company or its administrative agent.

Your exit price is determined as follows:

- If you submit the redemption order on or before 5 pm (Singapore time) on a Singapore Business Day and such order is accepted by the Management Company or its administrative agent prior to 1 pm (Luxembourg time) of the relevant Dealing Day, you will be paid a price based on the net asset value of the Fund on that Dealing Day.
- If you submit the redemption order after 5 pm (Singapore time) on a Singapore Business Day, you will be paid a price based on the net asset value of the Fund on the next Dealing Day. The sale proceeds that you will receive will be the exit price multiplied by the number of units redeemed. Examples are as follows :

1,000 Shares Redemption request	x	\$10.10 Notional redemption price	=	\$10,100.00 Gross redemption proceeds	-	\$0 Current redemption charge	=	S\$10,100.00 Net redemption proceeds
1,000 Shares Redemption request	x	\$10.90 Notional redemption price	=	\$10,900.00 Gross redemption proceeds	-	\$0 Current redemption charge	=	S\$10,900.00 Net redemption proceeds

No cancellation period is available, and you cannot cancel your subscription for shares of any share class of the Fund.

## CONTACT INFORMATION

### HOW CAN YOU CONTACT US?

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(Singapore) Ltd**

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Distributor

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The Singapore Representative

## APPENDIX: GLOSSARY OF TERMS

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**“Law”** means the law on undertakings for collective investment dated 17 December 2010, as amended.

**“Luxembourg Prospectus”** means the Luxembourg Prospectus for Schroder Alternative Solutions and such other supplementary prospectuses or addenda to the Luxembourg Prospectus that may be issued from time to time, attached to the Prospectus.

**“Singapore Business Day”** means a day (other than a Saturday or a Sunday) on which banks in Singapore are open for normal banking business.



This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Singapore Prospectus (the “Prospectus”) <sup>1</sup>.
- 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 Alternative Solutions Gold and Precious Metals Fund (the “Fund”)

Product Type	Collective Investment Scheme	Inception Date	A Accumulation (USD) and A Accumulation (EUR Hedged): 7 July 2008 A Accumulation (SGD Hedged): 29 August 2008
Management Company	Schroder Investment Management (Luxembourg) S.A.	Custodian	J.P. Morgan Bank Luxembourg S.A.
Investment Manager	Schroder Investment Management Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 30 September 2013	A Accumulation (USD), A Accumulation (EUR Hedged) and A Accumulation (SGD Hedged) : 1.89%
Name of Guarantor	Not Applicable		

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek long-term capital growth from active commodity management; and
- as an investment in the Fund involves a high degree of risk, are able and willing to take such a risk, including the loss up to 100% of their investment in the Fund.

#### Further Information

Refer to Para 5 and 7.2.2 on page 15-20 and 30-31 of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder Alternative Solutions which is domiciled in Luxembourg that aims to generate growth in the long term through investment in gold and precious metal related commodity instruments, as well as the equities of those companies involved in precious metal related industries globally.

Schroder Alternative Solutions is an open-ended investment company with limited liability, organised as a “société anonyme” and qualifies as a Société d’Investissement à Capital Variable (SICAV) under part II of the Law of the Grand Duchy of Luxembourg and as an alternative investment fund within the meaning of article 1(39) of the 2013 Law.

Refer to the cover page, Para 1, 2.1 and 5.2.1 on page 7, 8 and 15-16 of the Prospectus for further information on the features of the product.

### Investment Strategy

The Fund will be exposed to a range of gold and precious metal related commodities, and may invest in any sector of the gold and precious metals market at the discretion of the Investment Manager.

The Fund will be actively managed and will invest predominantly in a range of gold and precious metal related derivative instruments, principally comprising futures and other commodity linked derivative instruments such as swaps on physical commodities and futures on commodity indices, equities, exchange traded funds, and structured notes.

The Fund will not acquire any physical commodities directly nor will it enter into any contracts relating to physical commodities other than commodity futures, warrants, swaps, and options contracts. The Fund will seek to gain exposure to the commodity markets by investing in commodity futures and commodity related total return swaps. A swap allows the Fund to create exposure to a specific commodity.

To a lesser extent, the Fund will also invest in debt securities, convertible securities, warrants of issuers in precious metals related industries, and may also for purposes of hedging only invest in foreign currency

Refer to the “Important Information” section and Para 5 on page 15-20 of the Prospectus for further information on the investment strategy of the Fund.

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

such as forward currency contracts, currency options and swaps on currencies, and cash or cash equivalents including certificates of deposit, treasury bills and floating rate notes.

**Investors should note that the Fund intends to use or invest in financial derivatives and that the net asset value of the Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.**

## Parties Involved

### WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder Alternative Solutions.
- The Management Company is Schroder Investment Management (Luxembourg) S.A.
- The Investment Manager is Schroder Investment Management Limited
- The custodian for the Fund is J.P. Morgan Bank Luxembourg S.A.
- The Singapore Representative and agent for service of process is Schroder Investment Management (Singapore) Ltd.

*Refer to Para 1, 2, 3 and 4 on page 7-14 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 7 on page 23-32 of the Prospectus for further information on risks of the product.*

## Market and Credit Risks

### You are exposed to market risks.

- The price of gold may be affected by global or regional political, economic or financial events and situations which may motivate large-scale sales of gold which in turn could decrease the price of gold.

*Refer to Para 7.2.4 on page 32 of the Prospectus for further information.*

## Liquidity Risks

There is no secondary market for the Fund in Singapore. All redemption requests should be made to the distributor of the Fund through whom you originally purchased the shares in the Fund.

*Refer to the "Important Information" section and Para 9.1 on page 36 of the Prospectus for further information.*

## Product-Specific Risks

### You are exposed to risks of market movements in limited sectors/countries.

- The Fund will be subject to the respective market movements of the limited number of sectors and/or countries of the investment universe.

*Refer to Para 7.2 on page 30-32 of the Prospectus for further information.*

### You are exposed to operational risk of mismatch of commodity derivative instruments.

- Procedures are in place to ensure that any commodity derivative instruments calling for physical delivery of the underlying commodity will be liquidated prior to delivery. But the Fund may be subject to an operational risk of mismatch.

### You are exposed to risk of fluctuations in gold price.

- Depending on the level of the Fund's exposure to gold, fluctuation in the price of gold could materially affect an investment in the Fund.

### You are exposed to financial derivative instrument (FDI) risk.

- The Fund may use FDIs extensively to meet its specific investment objective. FDIs exposure may lead to a high risk of capital loss. Risks associated with FDIs mainly include counterparty risk and over-the-counter ("OTC") transaction risks.
  - **Counterparty risk** – Schroder Alternative Solutions will be subject to the risk of the inability of any counterparty through or with which it conducts the FDIs transactions to perform its obligations, whether due to insolvency, bankruptcy or other causes.
  - **OTC transaction risks** – The prices of FDIs traded in OTC markets may be more volatile and the FDIs may be less liquid than instruments principally traded on exchanges. The prices of FDIs may include an undisclosed dealer mark-up which the Fund may pay as part of the purchase price.

## 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:

Initial Charge	• Up to 5.0%
Redemption Charge	• Nil
Switching Fee	• Up to 1%

Refer to Para 6 on page 21-22 of the Prospectus for further information on fees and charges.

#### Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Investment management fee	• Up to 1.50% per annum
Administration charge	• Up to 0.4% per annum

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

The indicative issue prices and redemption prices of the Fund are normally published in Singapore in the major newspapers, such as The Straits Times and The Business Times within 2 Singapore Business Days immediately succeeding each Singapore Business Day.

Refer to Para 8.6, 9 and 11 on page 36-39 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 may redeem all or part of your holding in a share class of the Fund, provided that, if the request would reduce your shareholding in that share class below the minimum holding amount, such request will be treated as a request to redeem your entire shareholding in that share class.

Redemption proceeds will normally be made within 6 Business Days from the relevant Dealing Day on which a redemption order is received and accepted by the Management Company or its administrative agent.

Your exit price is determined as follows:

- If you submit the redemption order on or before 5 pm (Singapore time) on a Singapore Business Day and such order is accepted by the Management Company or its administrative agent prior to 1 pm (Luxembourg time) of the relevant Dealing Day, you will be paid a price based on the net asset value of the Fund on that Dealing Day.
- If you submit the redemption order after 5 pm (Singapore time) on a Singapore Business Day, you will be paid a price based on the net asset value on the next Dealing Day. The sale proceeds that you will receive will be the exit price multiplied by the number of units redeemed. Examples are as follows:

1,000 Shares redemption request	x	\$10.10 Notional redemption price	=	S\$10,100.00 Gross redemption proceeds	-	\$0 Current redemption charge	=	S\$10,100.00 Net redemption proceeds
1,000 Shares redemption request	x	\$10.90 Notional redemption price	=	S\$10,900.00 Gross redemption proceeds	-	\$0 Current redemption charge	=	S\$10,900.00 Net redemption proceeds

No cancellation period is available, and you cannot cancel your subscription for shares of any share class of the Fund

## CONTACT INFORMATION

### HOW CAN YOU CONTACT US?

For enquiries, please contact

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(Singapore) Ltd**

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Singapore 049513

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Distributor

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The Singapore Representative

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“**Business Day**” means unless otherwise provided in the Fund’s details in Appendix III of the Luxembourg Prospectus, a week day other than New Year’s Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

“**Law**” means the law on undertakings for collective investment dated 17 December 2010, as amended.

“**Luxembourg Prospectus**” means the Luxembourg Prospectus for Schroder Alternative Solutions and such other supplementary prospectuses or addenda to the Luxembourg Prospectus that may be issued from time to time, attached to the Prospectus.

“**Singapore Business Day**” means a day (other than a Saturday or a Sunday) on which banks in Singapore are open for normal banking business.

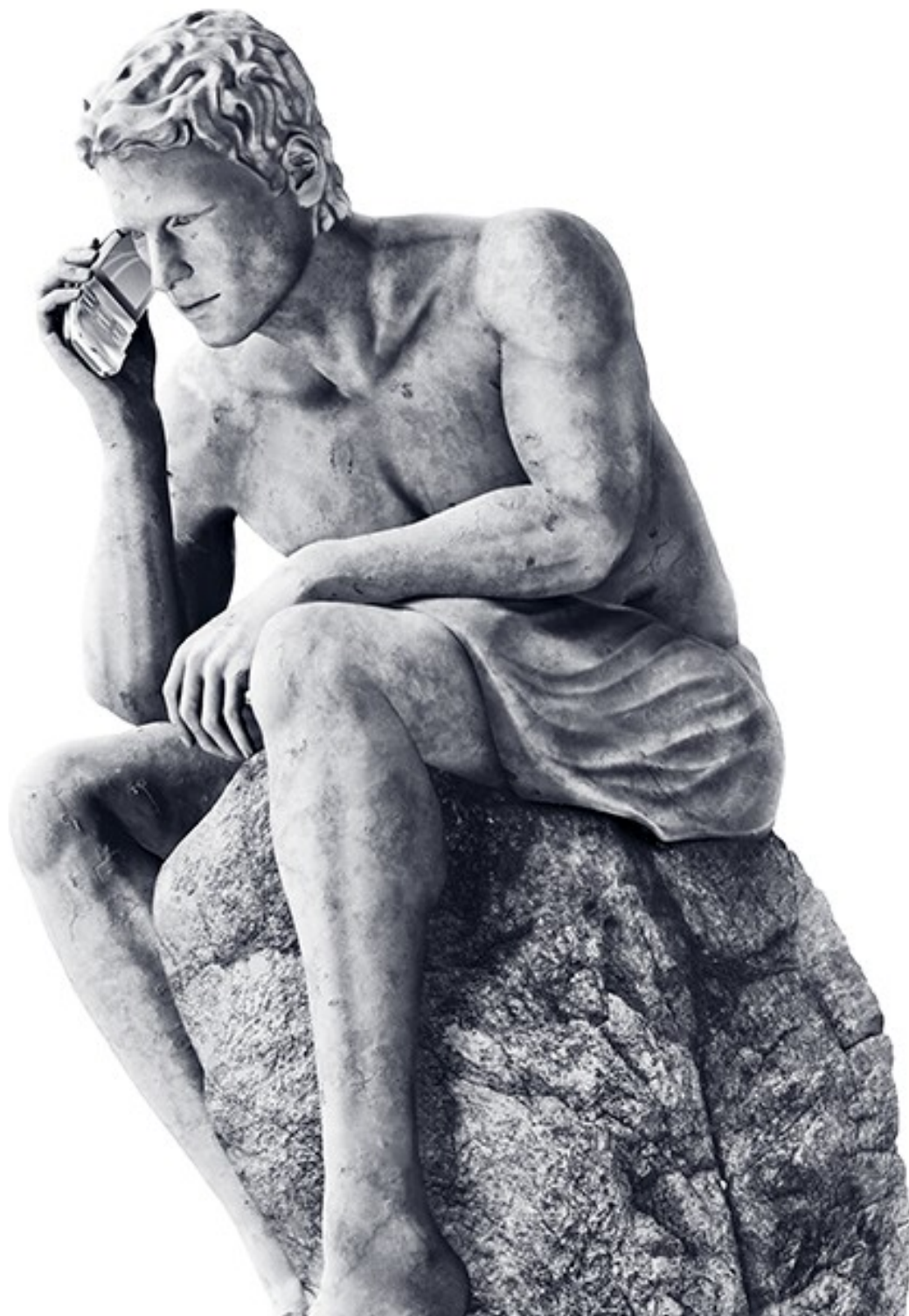
**All enquiries in relation to the Sub-Funds should be directed to the  
Singapore Representative,  
Schroder Investment Management (Singapore) Ltd  
65 Chulia Street, #46-00 OCBC Centre, Singapore 049513,  
or call our Customer Help Line at 1800 534 4288.**

# Schroder Alternative Solutions Prospectus

(a Luxembourg domiciled open-ended investment company)

December 2014

## Luxembourg



**Schrodgers**





Schroder Alternative Solutions  
(a Luxembourg domiciled open-ended investment company)

# Prospectus

December 2014



# Important Information

## Reliance on Prospectus

The Shares are offered solely on the basis of the information and representations contained in this prospectus (the "Prospectus") and any further information given or representations made by any person may not be relied upon as having been authorised by the Company, the Directors or the Management Company. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Company, copies of which may be obtained free of charge from the registered office of the Company and at the offices of J.P. Morgan Bank Luxembourg S.A. in Luxembourg.

## Registration in Luxembourg

The Company is registered under Part II of the list of UCI provided by the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment and qualifies as an alternative investment fund within the meaning of article 1(39) of the 2013 Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Company. Any representation to the contrary is unauthorised and unlawful.

## Disclosure of Information

Holding and storing personal data in relation to the Investors is necessary to enable the Management Company to fulfil the services required by the Investors and to comply with its legal and regulatory obligations.

By subscribing to Shares of the Company, the Investors expressly agree that their personal data be stored, changed, otherwise used or disclosed (i) to Schrodgers and other parties which intervene in the process of the business relationship (e.g. external processing centres, dispatch or payment agents), including companies based in countries where data protection laws might not exist or be of a lower standard than in the European Union or (ii) when required by law or regulation (Luxembourg or otherwise).

The personal data shall not be used or disclosed to any person other than as outlined in the preceding paragraph without the Investors' consent.

Reasonable measures have been taken to ensure confidentiality of the personal data transmitted within Schrodgers. However, due to the fact that the information is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the information is kept abroad.

Schrodgers will accept no liability with respect to any unauthorised third party receiving knowledge of or having access to such personal data, except in the case of negligence by Schrodgers.

The Investors have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete.

The personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

## Restrictions on Distribution

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Company to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

When marketing Shares in any territory of the European Economic Area (EEA) (other than Luxembourg) to professional investors that are domiciled or have a registered office in the EEA, the Management Company intends to utilise marketing passports made available

under the provisions of the AIFMD. Shares in a Fund may only be marketed pursuant to such passports to professional investors (as defined in the 2013 Law) in those territories of the EEA in respect of which a passport has been obtained.

**United Kingdom:** The Company is not a recognised overseas collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "Act"). The promotion of the Company and the distribution of this Prospectus in the United Kingdom is accordingly restricted by law.

Whilst this Prospectus may also be issued outside the United Kingdom directly by the Company, and the Directors are responsible for its contents, wherever issued, it is being issued inside and outside the United Kingdom by Schroder Investment Management Limited (which is authorised and regulated by the Financial Conduct Authority ("FCA") to and/or is directed at persons who are of a kind to whom the Company may lawfully be promoted by a person authorised to carry out certain financial services activities under the Act (an "authorised person") by virtue of Section 238(5) of the Act Chapter 4.12 of the FCA's Conduct of Business Sourcebook COBS.

This Prospectus is exempt from the restriction on the communication of invitations or inducements to participate in a collective investment scheme which is not a recognised overseas collective investment scheme (in Section 238 of the Act) on the grounds that the invitation or inducement (a) is made only to recipients who Schroder Investment Management Limited has taken reasonable steps to establish are persons of the kind referred above; or (b) is directed at recipients in a way that may reasonably be regarded as designed to reduce, so far as possible, the risk of participation in the Company by persons who are not of the kind referred above. To the extent that this Prospectus is issued by Schroder Investment Management Limited the Shares are only available to such persons and this Prospectus must not be relied or acted upon by any other persons.

Any recipient of this Prospectus who is an authorised person may (if and to the extent it is permitted to do so by the FCA rules applicable to it) distribute it or otherwise promote the Company in accordance with Section 238 of the Act but not otherwise. Any recipient of this Prospectus who is not an authorised person may not distribute it to any other person.

The Company will not be authorised to carry on investment business in the United Kingdom. Accordingly, all or most of the protections afforded by the United Kingdom regulatory system to retail clients will not apply to an investment in the Company. In particular, compensation will not be available under the United Kingdom Financial Services Compensation Scheme in respect of the Company and investors will not be entitled to exercise cancellation or withdrawal rights under the rules of the FCA in respect of any subscription or purchase of Shares.

Past performance may not be repeated and you may not get back the full amount of your investment. If you are in any doubt about the suitability of investing in the Company you should contact a professional adviser. Schroder Investment Management Limited and/or any of its associated companies may have a position in or holding of Shares.

The levels and bases of taxation and any relevant reliefs from taxation referred to in this Prospectus can change, any reliefs referred to are the ones which currently apply and their value depends upon the circumstances of each individual investor.

**United States:** The Company has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act of 1933") or under the securities laws of any state of the US and such Shares may be offered, sold or otherwise transferred only in compliance with the Securities Act of 1933 and such state or other securities laws. The Shares of the Company may not be offered or sold within the US or to or for the account of any US Person. 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 of 1933, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act of 1933) 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 or other entity treated as a partnership for US federal income tax organised 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 organised 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.

**Canada:** The Shares of the Company will not be publicly offered in Canada. Any offering of Shares of the Company in Canada will be made only by way of private placement: (i) pursuant to a Canadian offering memorandum containing certain prescribed disclosure, (ii) on a basis which is exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities and pursuant to applicable requirements in the relevant Canadian jurisdictions, and (iii) to persons or entities that are "accredited investors" (as such term is defined in National Instrument 45-106 Prospectus and Registration Exemptions) and, if required, "permitted clients" (as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations).

The Management Company is not registered in any capacity in any jurisdiction in Canada and may rely on one or more exemptions from various registration requirements in certain Canadian jurisdictions. In addition to being an "accredited investor", a Canadian-resident Investor may also be required to be a "permitted client". If a Canadian-resident Investor, or an Investor that has become a Canadian-resident after purchasing Shares of the Company, is required to be a "permitted client" and does not qualify, or no longer qualifies, as a "permitted client", the Investor will not be able to purchase any additional Shares of the Company and may be required to redeem its outstanding Shares.

**Generally:** the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make an application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

**Risk Factors**

**Investment in the Company carries substantial risk. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Shares is suitable to them in light of their circumstances and financial resources (see further under "Risk of Investment").**

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# Definitions

<b>2013 Law</b>	the law of 12 July 2013 on alternative investment fund managers
<b>Accumulation Shares</b>	shares which accumulate their income so that the income is included in the price of the shares
<b>AIFMD</b>	Directive 2011/61/EU on alternative investment fund managers
<b>AIFM Regulation</b>	the European Commission Delegated Regulation 231/2013 of 19 December 2012
<b>AIFM Rules</b>	the AIFMD, the AIFM Regulation, the 2013 Law as well as any European or Luxembourg regulatory guidelines as may be issued in relation thereof
<b>Appendix</b>	an appendix to this Prospectus containing information with respect to the Company specifically and/or particular Funds
<b>Articles</b>	the articles of incorporation of the Company as amended from time to time
<b>Business Day</b>	unless otherwise provided in the Fund's details in Appendix III, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day
<b>CAD</b>	Canadian Dollars
<b>CHF</b>	Swiss Franc
<b>Company</b>	Schroder Alternative Solutions
<b>CSSF</b>	Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority)
<b>Depository</b>	J.P. Morgan Bank Luxembourg S.A. acting as depository and fund administrator
<b>Dealing Cut-off Time</b>	the time by which dealing instructions must be received by the Management Company in order to be executed on a Dealing Day as defined for each Fund in Appendix III
<b>Dealing Day</b>	unless otherwise provided in the Fund's details in Appendix III, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Fund. The Management Company may also take into account whether relevant local stock exchanges and / or Regulated Markets are open for trading and settlement, and may elect to treat such closures as non-Dealing Days for Funds which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of expected non-Dealing Days for the Funds is available from the Management Company on request and is also available on the Internet site <a href="http://www.schroders.lu">www.schroders.lu</a>
<b>Directors or Board of Directors</b>	the board of directors of the Company
<b>Distributor</b>	a person or entity duly appointed from time to time by the Management Company to distribute or arrange for the distribution of Shares
<b>Distribution Period</b>	the period from one date on which dividends are paid by the Company to the next. This may be annual or shorter where dividends are paid more regularly
<b>Distribution Shares</b>	shares which distribute their income
<b>Eligible State</b>	includes any member state of the European Union ("EU"), any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the Directors deem appropriate
<b>EU</b>	European Union
<b>EUR</b>	the European currency unit (also referred to as the Euro)
<b>Fund</b>	a specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate Share Class or Share Classes

<b>GBP</b>	Great British Pound
<b>HKD</b>	Hong Kong Dollar
<b>Investor</b>	a subscriber for Shares
<b>JPY</b>	Japanese Yen
<b>Law</b>	the law on undertakings for collective investment dated 17 December 2010, as amended
<b>Management Company</b>	Schroder Investment Management (Luxembourg) S.A.
<b>Net Asset Value per Share</b>	the value per Share of any Share Class determined in accordance with the relevant provisions described under the heading "Calculation of Net Asset Value" as set out in Section 2.3
<b>OTC</b>	over-the-counter
<b>Regulated Market</b>	a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State
<b>Regulations</b>	the Law and the 2013 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions
<b>Reporting Fund</b>	a Fund or a Share Class that complies with UK HMRC tax regime for offshore funds and therefore has a certain tax status relevant for UK tax paying Shareholders
<b>RMB</b>	Renminbi, the official currency of the People's Republic of China
<b>Schroders</b>	the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide
<b>SGD</b>	Singapore Dollars
<b>Share</b>	a share of no par value in any one class in the capital of the Company
<b>Share Class</b>	a class of Shares with a specific fee structure
<b>Shareholder</b>	a holder of Shares
<b>UCITS</b>	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
<b>UCI</b>	an "undertaking for collective investment" within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive
<b>UCITS IV Directive</b>	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
<b>UK</b>	United Kingdom
<b>UK Reporting Fund Status</b>	a tax status relevant for UK Shareholders
<b>United States</b>	the United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdictions
<b>USD or \$</b>	United States Dollar

**All references herein to time are to Luxembourg time unless otherwise indicated.**

**Words importing the singular shall, where the context permits, include the plural and vice versa.**

# Board of Directors

## Chairman

- **Carlo TRABATTONI** Head of Pan European Intermediary Distribution and GFIG  
Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA  
United Kingdom

## Other Directors

- **Mike CHAMPION**  
Head of Product Development  
Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA  
United Kingdom
- **Marie-Jeanne CHEVREMONT-LORENZINI**  
37C, avenue J.F. Kennedy  
1855, Luxembourg  
Grand Duchy of Luxembourg
- **Jacques ELVINGER**  
Avocat  
Elvinger, Hoss & Prussen  
2, place Winston Churchill  
2014 Luxembourg  
Grand Duchy of Luxembourg
- **Daniel DE FERNANDO GARCIA**  
Independent Director  
Serrano 1  
28001 Madrid  
Spain
- **Achim KUESSNER**  
Country Head Germany, Austria & CEE  
Schroder Investment Management GmbH  
Taunustor 1 (TaunusTurm)  
60310 Frankfurt am Main  
Germany
- **Ketil PETERSEN**  
Country Head Nordic Region  
Schroder Investment Management A/S  
Store Strandstraede 21  
1255 Copenhagen K  
Denmark
- **Georges-Arnaud SAIER**  
Independent Director  
Blue Tower  
326 Avenue Louise  
1050 Brussels Belgium
- **Neil WALTON**  
Head of UK Institutional Business  
Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA  
United Kingdom

# Administration

**Registered Office**

5, rue Höhenhof  
1736 Senningerberg  
Grand Duchy of Luxembourg

**Management Company and Domiciliary Agent**

Schroder Investment Management (Luxembourg) S.A.  
5, rue Höhenhof  
1736 Senningerberg  
Grand Duchy of Luxembourg

**Investment Manager**

Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA  
United Kingdom

**Depositary**

J.P. Morgan Bank Luxembourg S.A.  
European Bank & Business Centre  
6, route de Trèves  
2633 Senningerberg  
Grand Duchy of Luxembourg

**Independent Auditors**

PricewaterhouseCoopers Société Coopérative  
2 rue Gerhard Mercator  
2182 Luxembourg  
Grand Duchy of Luxembourg

**Principal Legal Adviser**

Elvinger, Hoss & Prussen  
2, place Winston Churchill  
B.P. 425  
2014 Luxembourg  
Grand Duchy of Luxembourg

Simmons & Simmons  
CityPoint  
One Ropemaker Street  
London EC2Y 9SS  
United Kingdom

# Section 1

## 1. The Company

### 1.1. Structure

The Company is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ("SICAV") and as an alternative investment fund within the meaning of article 1(39) of the 2013 Law. The Company operates separate Funds, each of which is represented by one or more Share Classes. The Funds are distinguished by their specific investment policy or any other specific features.

The Company constitutes a single legal entity, but the assets of each Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Fund and the assets of a specific Fund are solely accountable for the liabilities, commitments and obligations of that Fund.

The Directors may at any time resolve to set up new Funds and/or create within each Fund one or more Share Classes and this Prospectus will be updated accordingly. The Directors may also at any time resolve to close a Fund, or one or more Share Classes within a Fund to further subscriptions.

The Shares may be listed on the Luxembourg Stock Exchange. The Directors may decide to make an application to list such Shares on any other recognised stock exchange.

### 1.2. Investment Objectives and Policies

The exclusive objective of the Company is to place the funds available to it in assets of any kind with the purpose of affording its Shareholders the results of the management of its portfolios.

The specific investment objective and policy of each Fund is described in Appendix III.

Investors should, prior to any investment being made, take due account of the risks of investment set out in Appendix II.

### Changes To The Investment Objective and Policy

Any material change to the investment objective and/or the investment policy of a Sub-Fund decided by the Company shall be reflected into the Prospectus after receipt of relevant approval of at least such material change from the CSSF and shall be notified to the relevant Shareholders one month before this material change becomes effective, thus enabling the relevant Shareholders, prior to the effective date to redeeming their Shares free of applicable redemption charge (rather than accepting the material change) if they so elect. Any material change may enter into force at an earlier date if all shareholders waive their right to the one-month prior notice.

### 1.3. Share Classes

The Directors may decide to create within each Fund different Share Classes whose assets will be commonly invested pursuant to the specific investment policy of the relevant Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Share Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

Investors are informed that not all Distributors offer all classes of Shares.

Shares are generally issued as Accumulation Shares. Distribution Shares will only be issued within any Fund at the Directors' discretion. Investors may enquire at the Management Company or their Distributor whether any Distribution Shares are available within each Share Class and Fund.

### Initial Charge

The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the discretion of the Management Company or of the relevant Distributor. The initial charge attributed to each class of Share is specified in Appendix III.

### **Minimum Subscription Amount, Minimum Additional Subscription Amount and Minimum Holding Amount**

The minimum subscription amount, minimum additional subscription amount and minimum holding amount for each Share Class are set out in Appendix III. The amounts are stated in the relevant currency although near equivalent amounts in any other freely convertible currency are acceptable. These minima may be waived at the Directors' discretion from time to time.

### **Specific features of D Shares**

D Shares will only be available to Investors who at the time the relevant subscription order is received are customers of certain Distributors appointed specifically for the purpose of distributing the D Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors.

No initial charge will be payable by an Investor on the acquisition of D Shares of any Fund. However some charges for example redemption or administration charges may be deducted by the distributor from the redemption proceeds as agreed separately between the shareholders and the distributor. Shareholders should check with the respective Distributors for details of the arrangement.

Investors in D Shares will not be permitted to switch the holding of such Shares into other Share Classes, nor will they be permitted to transfer such Shares from one Distributor to another.

### **Specific features of I Shares**

I Shares will only be offered to Investors:

- (A) who, at the time the relevant subscription order is received, are clients of Schroders with an agreement covering the charging structure relevant to the clients' investments in such Shares, and
- (B) who are institutional Investors, as may be defined from time to time by the guidelines or recommendations issued by the CSSF.

The Company will not issue, or effect any switching of, I Shares to any Investor who is not considered an institutional investor. The Directors may, at their discretion, delay the acceptance of any subscription for I Shares restricted to institutional investors until such date as the Management Company has received sufficient evidence on the qualification of the relevant Investor as an institutional investor. If it appears at any time that a holder of I Shares is not an institutional investor, the Directors will instruct the Management Company to propose that the said holder convert their Shares into a Share Class within the relevant Fund which is not restricted to institutional investors (provided that there exists such a Share Class with similar characteristics). In the event that the Shareholder refuses such switching, the Directors will, at their discretion, instruct the Management Company to redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

As I Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of Schroders and is charged management fees directly by Schroders, no management fees will be payable in respect of I Shares out of the net assets of the relevant Fund. I Shares will bear their pro-rata share of the fees payable to the Depositary and the Management Company, as well as of other charges and expenses.

### **Specific features of J Shares**

J Shares will only be offered to, and can only be acquired by Japanese Funds of Funds, which are institutional investors as may be defined from time to time by the guidelines or recommendations issued by the CSSF. "Japanese Fund of Funds" means an investment trust or investment corporation that is established under the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951, as amended) of Japan (an "investment trust") the purpose of which is to invest its assets only in beneficial interests in other investment trusts or shares of investment corporations or collective investment schemes similar thereto established under the laws of any country other than Japan.



The Company will not issue any J Shares to any Investor who is not a Japanese Fund of Funds or permit any J Share to be switched to share(s) of any other Share Class of the Company. The Directors may, at their discretion, refuse to accept any application for subscription for J Shares until and unless the Management Company notifies the Directors that it is satisfied that the applicant for subscription is a Japanese Fund of Funds.

As J Shares are, inter alia, designed to accommodate an alternative charging structure for Japanese Fund of Funds, no management fees will be payable in respect of J Shares out of the net assets of the relevant Fund. J Shares will bear their pro-rata share of the fees payable to the Depositary and the Management Company, as well as of other charges and expenses.

#### **Specific features of X Shares**

X Shares will only be offered to Investors who are institutional investors, as may be defined from time to time by the guidelines or recommendations issued by the CSSF.

The Company will not issue, or effect any switching of X Shares to any Investor who may not be considered an institutional investor. The Directors may, at their discretion, delay the acceptance of any subscription for X Shares restricted to institutional investors until such date as the Management Company has received sufficient evidence on the qualification of the relevant Investor as an institutional investor. If it appears at any time that a holder of X Shares is not an institutional investor, the Directors will instruct the Management Company to propose that the said holder convert their Shares into a Share Class within the relevant Fund which is not restricted to institutional investors (provided that there exists such a Share Class with similar characteristics). In the event that the Shareholder refuses such switching, the Directors will, at their discretion, instruct the Management Company to redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

#### **Specific features of R Shares**

R Shares do not qualify as "Reporting Funds" for taxation purposes under the UK offshore fund rules (see Section 3.4). R Shares are only available at the Management Company's discretion to Investors who have been issued Shares pursuant to a merger or similar activity with another fund where the Investor's holding in such fund did not qualify as a Reporting Fund under the UK offshore fund rules. R Shares may only be issued by the Management Company in these circumstances as part of the merger or similar activity. Holders of R Shares are not permitted to top up their investment in R Shares and are not permitted to switch their R Shares into other Share Classes. R Shares are not available to Investors (new and existing) in any other circumstance than those described above.

There is no minimum subscription or holding amount.

The management fees for R Shares will be up to 1.50% per annum.

#### **Specific features of S Shares**

S Shares are only available at the Management Company's discretion to certain clients of the Schroder Group's wealth management business. Before the Management Company can accept a subscription into S Shares, a legal agreement must be in place between the investor and the Schroder Group's wealth management business containing terms specific to investment in S Shares.

In the event that a Shareholder of Class S Shares ceases to be a client of the Schroder Group's wealth management business, the Shareholder will cease to be eligible to hold Class S Shares and the Management Company will compulsorily switch the Shareholder into the most appropriate Share Class of the same Fund. This means that the switch of Class S Shares will be automatic without the need for Shareholders to submit a switching request to the Management Company. Therefore, by subscribing for Class S Shares, Shareholders irrevocably permit the Management Company to switch S Shares on their behalf should they cease to be eligible to invest in Class S Shares.

There is no minimum initial subscription, additional subscription or holding amount. Applications for subscriptions into Class S Shares will be accepted at the Management Company's discretion.

The management fees for S Shares will be up to 1.50% per annum.

# Section 2

## 2. Share Dealing

### 2.1. Subscription for Shares

How to subscribe

Investors subscribing for Shares for the first time should complete an application form and send it with applicable identification documents by post to the Management Company. Application forms may be accepted by facsimile transmission or other means approved by the Management Company, provided that the original is immediately forwarded by post. If completed application forms and cleared funds are received by the Management Company for any Dealing Day before the Dealing Cut-off Time as specified in Appendix III, the subscription instruction will be executed on the Dealing Day and Shares will normally be issued at the relevant Net Asset Value per Share, as defined under "Calculation of Net Asset Value", determined on the relevant Dealing Day (plus any applicable initial charge). For completed applications received after the Dealing Cut-off Time, the instruction will normally be executed on the next relevant Dealing Day and Shares will be issued at the Net Asset Value per Share calculated on that Dealing Day (plus any applicable initial charge).

**Each Investor will be given a personal account number which, along with any relevant transaction number, should be quoted on any payment by bank transfer. Any relevant transaction number and the personal account number should be used in all correspondence with the Management Company or any Distributor.**

**Different subscription procedures may apply if applications for Shares are made through Distributors.**

**All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.**

However, the Directors may permit, if they deem it appropriate, different Dealing Cut-off Times to be determined in justified circumstances, such as distribution to Investors in jurisdictions with a different time zone. Such different Dealing Cut-off Times may either be specifically agreed upon with Distributors or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned. In such circumstances, the applicable Dealing Cut-off Time applied to Shareholders must always precede the Dealing Cut-off Time referred to in Appendix III.

Subsequent subscriptions for Shares do not require completion of an additional application form. However, Investors shall provide written instructions as agreed with the Management Company to ensure smooth processing of subsequent subscriptions. Instructions may also be made by letter, facsimile transmission, in each case duly signed, or such other means approved by the Management Company.

Confirmations of transactions will normally be dispatched on the Business Day following the Dealing Day. Shareholders should promptly check these confirmations to ensure that they are correct in every detail. Investors are advised to refer to the terms and conditions on the application form to inform themselves fully of the terms and conditions to which they are subscribing.

Please refer to Appendix III for more details on the Dealing Cut-off Time and dealing frequency for each Fund.

#### How to pay

Payment should be made by electronic bank transfer net of all bank charges (i.e. at the Investor's expense). Further settlement details are available on the application form.

Shares are normally issued once settlement in cleared funds is received. In the case of applications from approved financial intermediaries or other investors authorised by the Management Company, the issue of Shares is conditional upon the receipt of settlement within a previously agreed period not exceeding three Business Days from the relevant Dealing Day. Any non-Dealing Days for a Fund falling within the settlement period are excluded from the calculation of the settlement date. If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. Payment should arrive in the appropriate bank account, as specified in the settlement instructions, at the latest by 17:00 on the settlement date. Payments received after this time may be considered to have settled on the next Business Day on which the bank is open. If timely settlement is not made, an application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Management Company against any existing holding of the applicant in the Company. In all cases, any confirmation of transaction and any money returnable to the Investor will be held by the Management Company without payment of interest pending receipt of the remittance.

Payments in cash will not be accepted. Third party payments will only be accepted at the Management Company's discretion.

**Different settlement procedures may apply if applications for Shares are made through Distributors.**

Payment should normally be made in the currency of the relevant Share Class. However, a currency exchange service for subscriptions is provided by the Management Company on behalf of, and at the cost and risk of, the Investor. Further information is available from the Management Company or any of the Distributors on request.

**Price Information**

The Net Asset Value per Share of one or more Classes is published daily or in line with the valuation frequency of the relevant Fund in such newspapers or other electronic services as determined from time to time by the Directors. It may be made available on the Schroder Investment Management (Luxembourg) S.A. internet site [www.schroders.lu](http://www.schroders.lu), and is available from the registered office of the Company. Neither the Company nor the Distributors accept responsibility for any error in publication or for non-publication of the Net Asset Value per Share.

**Types of Shares**

Shares will be issued in registered form. Registered Shares are in non-certificated form. Fractional entitlements to registered Shares will be rounded to two decimal places. Shares may also be held and transferred through accounts maintained with clearing systems.

**General**

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Management Company and/or the Company in their absolute discretion reserve the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the applicant without interest. Prospective applicants should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

The Management Company may have agreements with certain Distributors pursuant to which they agree to act as or appoint nominees for Investors subscribing for Shares through their facilities. In such capacity, the Distributor may effect subscriptions, switches and redemptions of Shares in nominee name on behalf of individual Investors and request the registration of such operations on the register of Shareholders of the Company in nominee name. The Distributor or nominee maintains its own records and provides the Investor with individualised information as to its holdings of Shares. Except where local law or custom proscribes the practice, Investors may invest directly in the Company and not avail themselves of a nominee service. Unless otherwise provided by local law, any Shareholder holding Shares in a nominee account with a Distributor has the right to claim, at any time, direct title to such Shares.

The Management Company draws however the Investors' attention to the fact that any Investor will only be able to fully exercise his Shareholder rights directly against the Company, if the Investor is registered himself and in his own name in the Shareholders' register. In cases where an Investor invests in the Company through a Distributor or a nominee investing into the Company in his own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take advice on their rights.

**Anti Money Laundering Procedures**

Pursuant to international norms and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 relating to the fight against money laundering and terrorism financing, as amended), obligations have been imposed on the Company to prevent money laundering and terrorism financing. As a result of such provisions, the Company requires the Management Company to verify the identity of the Company's customers and perform ongoing due diligence on them in accordance with Luxembourg laws and regulations. To fulfil this requirement, the Management Company may request any information and supporting documentation it deems necessary, including information about beneficial ownership, source of funds and origin of wealth. In any case, the Management Company may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

In case of delay or failure by a customer to provide the documents required, an application for subscription or, if applicable, for redemption or any other transaction may not be accepted. Neither the Company nor the Management Company have any liability for delays or failure to process deals as a result of the customer providing no or only incomplete information and/or documentation.

### **Ineligible Investors**

The application form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, he is able to acquire and hold Shares without violating applicable laws.

Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer.

The Directors may require the compulsory redemption of shares owned by investors in breach of the restrictions of this section.

## **2.2. Redemption and Switching of Shares**

### **Redemption Procedure**

Redemption instructions accepted by the Management Company for any Dealing Day before the Dealing Cut-off Time as specified in Appendix III, or such other time at the Directors' discretion, will normally be executed on the Dealing Day at the relevant Net Asset Value per Share, as defined under "Calculation of Net Asset Value", calculated on the Dealing Day (less any applicable redemption charge). Instructions accepted by the Management Company after the Dealing Cut-off Time will normally be executed on the next relevant Dealing Day at the Net Asset Value per Share.

In cases where dealing is suspended in a Fund from which a redemption has been requested, the processing of the redemption will be held over until the next Dealing Day where dealing is no longer suspended. Redemption instructions can only be executed when any previously related transaction has been completed.

Instructions to redeem Shares may be given to the Management Company by completing the form requesting redemption of Shares or by letter, facsimile transmission or other means approved by the Management Company where the account reference and full details of the redemption must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Management Company is available on request.

### **Redemption Proceeds**

Redemption proceeds are normally paid by bank transfer or electronic transfer and will be instructed to be made at no cost to the Shareholder, provided the Management Company is in receipt of all documents required. The settlement period of the redemption proceeds for each Fund is specified in Appendix III. The Company or Management Company are not responsible for any delays or charges incurred at any receiving bank or settlement system, nor are they responsible for delays in settlement which may occur due to the timeline for local processing of payments within some countries or by certain banks. Redemption proceeds will normally be paid in the currency of the relevant Share Class. On request, redemption proceeds paid by bank transfer may be paid in most other currencies on behalf of, at the cost and risk of, the Shareholder.

If, on the settlement date, banks are not open for business in the country of the settlement currency of the relevant Share Class, then settlement will be on the next Business Day on which those banks are open.

### **Switching Procedure**

A switch transaction is one where an existing Shareholder decides to convert its shares in a particular Share Class (the "Original Class") into another Share Class (the "New Class") either within the same Fund or different Funds within the Company.

**Different settlement procedures may apply if instructions to redeem Shares are communicated via Distributors.**

Acceptance by the Management Company of switching instructions will be subject to the availability of the New Class and to the compliance with any eligibility requirements and/or other specific conditions attached to the New Class (such as minimum subscription and holding amounts). A switch transaction is processed as a redemption from the Original Class followed by a subscription into the New Class.

If the Original and New Classes involved in a switch transaction have the same Dealing Cut-off Time and Dealing Days, switching instructions accepted by the Management Company before the Dealing Cut-off Time as specified in Appendix III, or such other time at the Directors' discretion, will normally be executed on the Dealing Day associated with the receipt of the instruction and will normally be executed based on the relevant Net Asset Values per Share of both Share Classes calculated for that Dealing Day (less any applicable switching charge).

However, if the settlement period in the New Class is shorter than that of the Original Class and/or if the Original and New Classes are subject to different Dealing Days and/or Dealing Cut-off Times, the following rules will apply:

- (A) the redemption will be dealt with on the Dealing Day relating to the receipt of the switching instruction with the Net Asset Value per Share of the Original Class calculated for that Dealing Day, and
- (B) the subscription will be executed at the next earliest Dealing Day applicable for the New Class with the Net Asset Value per Share of the New Class calculated for that Dealing Day, and
- (C) the subscription may be further deferred to a later Dealing Day so that the settlement date for the subscription will always match or follow the settlement date for the redemption (if possible both settlement periods will be matched), and
- (D) where the redemption is settled before the subscription, the redemption proceeds will remain on the Company's collection account and interest accrued will be for the benefit of the Company.

In cases where dealing is suspended in a Fund from or to which a switch has been requested, the processing of the switch will be held over until the next Dealing Day when dealing is no longer suspended. The switching procedures described above will continue to apply.

Instructions to switch Shares may be given to the Management Company by completing the switch form or by letter, facsimile transmission or other means approved by the Management Company where the account reference and the number of Shares to be switched between named Share Classes must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney form acceptable to the Management Company is available on request.

Instructions to switch Shares between Share Classes denominated in different currencies will be accepted. A currency exchange service for such switches is provided by the Management Company on behalf of, and at the cost and risk of, the Shareholder. Further information is available from the Management Company or any of the Distributors on request.

The Directors may, at their discretion, allow certain selected Distributors to make a charge for switching which shall not exceed 1% of the value of the Share being requested to be switched.

The same principles may apply if Investors instruct switches between investment funds belonging to different legal structures within Schroders' fund ranges.

Shareholders should seek advice from their local tax advisers to be informed on the local tax consequences of such transactions.

**Different redemption and switching procedures may apply if instructions to switch or redeem Shares are communicated via Distributors.**

**All instructions to redeem or switch Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.**

### General

The value of Shares held by any Shareholder in any one Share Class after any switch or redemption should generally exceed the minimum investment as specified in Appendix III.

Unless waived by the Management Company, if, as a result of any switch or redemption request, the amount invested by any Shareholder in a Share Class in any one Fund falls below the minimum holding for that Share Class, it will be treated as an instruction to redeem or switch, as appropriate, the Shareholder's total holding in the relevant Share Class.

The Directors may permit, if they deem it appropriate, different Dealing Cut-off Times to be determined in justified circumstances, such as distribution to Investors in jurisdictions with a different time zone. Such different Dealing Cut-off Times may either be specifically agreed upon with Distributors or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned. In such circumstances, the applicable Dealing Cut-off Time applied to Shareholders must always precede the Dealing Cut-off Time referred to in Appendix III.

Confirmation of transactions will normally be dispatched by the Management Company on the Business Day following the Dealing Day relevant to those redemption or switching transactions. Shareholders should promptly check these confirmations to ensure that they are correct in every detail.

Switching or redemption requests will be considered binding and irrevocable by the Management Company and will, at the discretion of the Management Company, only be executed where the relevant Shares have been duly issued.

Instructions to make payments to third parties will only be accepted at the Management Company's discretion.

### 2.3. Restrictions on Subscriptions and Switches into Certain Funds or Classes

A Fund or Share Class may be closed to new subscriptions or switches in (but not to redemptions or switches out) if, in the opinion of the Management Company, the closure is necessary to protect the interests of existing Shareholders. Without limiting the circumstances where the closure may be appropriate, the circumstances would be where the Fund or a Share Class has reached a size such that the capacity of the market has been reached or that it becomes difficult to manage in an optimal manner, and/or where to permit further inflows would be detrimental to the performance of the Fund or the Share Class. Any Fund or Share Class may be closed to new subscriptions or switches in without notice to Shareholders if Appendix III discloses that a Fund or Share Class is capacity constrained. Once closed, a Fund, or Share Class, will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail.

Investors should contact the Management Company or check the website [www.schroders.lu](http://www.schroders.lu) for the current status of the relevant Funds or Share Classes and for subscription opportunities that may occur (if any).

### 2.4. Calculation of Net Asset Value

Calculation of the Net Asset Value per Share

- (A) The Net Asset Value per Share of each Share Class will be calculated on each Dealing Day in the currency of the relevant Share Class. It will be calculated by dividing the Net Asset Value attributable to each Share Class, being the proportionate value of its assets less its liabilities, by the number of Shares of such Share Class then in issue. The resulting sum shall be rounded to the nearest two decimal places.
- (B) The Directors reserve the right to allow the Net Asset Value per Share of each Share Class to be calculated more frequently than once daily, or to otherwise alter dealing arrangements on a permanent or a temporary basis, for example, where the Directors consider that a material change to the market value of the investments in one or more Funds so demands. The Prospectus will be amended, following any such permanent alteration, and Shareholders will be informed accordingly.

- (C) In valuing total assets, the following rules will apply:
- (1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.
  - (2) The value of any securities, assets (including shares or units in closed-ended UCIs) and derivative instruments will be determined on the basis of the last available price on the stock exchange or any other Regulated Market on which these securities, assets or derivative instruments are traded or admitted for trading. Where such securities, assets or derivative instruments are quoted or dealt in one or by more than one stock exchange or any other Regulated Market, the Directors shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provision of prices of securities, assets or derivative instruments.
  - (3) If a security is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities so traded or admitted the last available price of which does not reflect their true value, the Directors are required to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith.
  - (4) The derivative instruments which are not listed on any official stock exchange or traded on any other organised market are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative. The reference to fair value shall be understood as a reference to the amount for which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties in an arm's length transaction. The reference to reliable and verifiable valuation shall be understood as a reference to a valuation, which does not rely only on market quotations of the counterparty and fulfils the following criteria:
    - (I) The basis of the valuation is either a reliable up-to-date market value of the instrument, or, if such value is not available, a pricing model using an adequate, recognised methodology.
    - (II) Verification of the valuation is carried out by one of the following:
      - (a) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that the Company is able to check it;
      - (b) a unit within the Company which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.
  - (5) Swaps contracts will be valued at the market value fixed in good faith by the Directors and according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows.
  - (6) Each share or unit in an open-ended UCI will be valued at the last available net asset value (or bid price for dual priced UCI) whether estimated or final, which is computed for such unit or shares on the same Dealing Day, failing which, it shall be the last net asset value (or bid price for dual priced UCI) computed prior to the Dealing Day on which the Net Asset Value of the Shares is determined.
  - (7) In respect of shares or units of a UCI held by the Company, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the Directors may decide to value such shares or units in line with the prices so established.



- (8) If, since the day on which the latest net asset value was calculated, events have occurred which may have resulted in a material change of the net asset value of shares or units in other UCI held by the Company, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change of value.
- (9) The value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price.
- (10) If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.
- (11) Any assets or liabilities in currencies other than the base currency of the Funds (as defined in Appendix III) will be converted using the relevant spot rate quoted by a bank or other responsible financial institution.
- (12) In circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets, as further described below under 2.6 "Market Timing and Frequent Trading Policy".

## 2.5. Suspensions or Deferrals

- (A) The Company reserves the right not to accept instructions to redeem or switch on any one Dealing Day more than 10% of the total value of Shares in issue of any Fund. In these circumstances, the Directors may declare that the redemption of part or all Shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next Dealing Day and will be valued at the Net Asset Value per Share prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Management Company.
- (B) The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of a Fund are invested or in exceptional circumstances where the liquidity of a Fund is not sufficient to meet the redemption requests.
- (C) The Company may suspend or defer the calculation of the Net Asset Value per Share of any Share Class in any Fund and the issue and redemption of any Shares in such Fund, as well as the right to switch Shares of any Share Class in any Fund into Shares of the same Share Class of the same Fund or any other Fund:
  - (1) during any period when any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Company's investments of the relevant Share Class for the time being are quoted, is closed, or during which dealings are restricted or suspended; or
  - (2) any period when the Net Asset Value of one or more UCI(s), in which the Company will have invested and the units or the shares of which constitute a significant part of the assets of the Company, cannot be determined accurately so as to reflect their fair market value as at the Dealing Day; or
  - (3) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Fund by the Company is impracticable; or
  - (4) during any breakdown in the means of communication normally employed in determining the price or value of any of the Company's investments or the current prices or values on any market or stock exchange; or

- (5) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or
  - (6) if the Company or a Fund is being or may be wound-up or merged on or following (i) the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Company or a Fund is proposed or (ii) the date on which the Directors decide to wind up or merge a Fund; or
  - (7) if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Company attributable to a particular Share Class in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or
  - (8) during any period when the determination of the Net Asset Value per Share and/or the redemptions in the underlying investment funds representing a material part of the assets of the relevant Fund is suspended; or
  - (9) during any other circumstance or circumstances where a failure to do so might result in the Company or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment.
- (D) The suspension of the calculation of the Net Asset Value per Share of any Fund or Share Class shall not affect the valuation of other Funds or Share Classes, unless these Funds or Share Classes are also affected.
- (E) During a period of suspension or deferral, a Shareholder may withdraw his request in respect of any Shares not redeemed or switched, by notice in writing received by the Management Company before the end of such period.

Shareholders will be informed of any suspension or deferral as appropriate.

## 2.6. Market Timing and Frequent Trading Policy

The Company does not knowingly allow dealing activity which is associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, switches between or redemptions from the various Share Classes (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, switches between or redemptions from the various Share Classes (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Fund's other shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to implement either one, or both, of the following measures:

- The Management Company may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors reserve the right to cause the Management Company to reject any application for switching and/or subscription of Shares from Investors whom the former considers market timers or frequent traders.
- If a Fund is primarily invested in markets which are closed for business at the time the Fund is valued, the Directors may, during periods of market volatility, and by derogation from the provisions above, under "Calculation of Net Asset Value", cause the Management Company to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Fund's investments at the point of valuation.

In practice, the securities of Funds investing in non-European markets are usually valued on the basis of the last available price at the time when the Net Asset Value per Share is calculated. The time difference between the close of the markets in which a Fund invests

and the point of valuation can be significant. For example, in the case of US traded securities the last available price may be as much as 17 hours old. Developments that could affect the value of these securities, which occur between the close of the markets and the point of valuation, will not, therefore, normally be reflected in the Net Asset Value per Share of the relevant Fund.

As a result, where the Directors believe that a significant event has occurred between the close of the markets in which a Fund invests and the point of valuation, and that such event will materially affect the value of that Fund's portfolio, they may adjust the Net Asset Value per Share so as to reflect what is believed to be the fair value of the portfolio as at the point of valuation.

The level of adjustment will be based upon the movement in a chosen surrogate up until the point of valuation, provided that such movement exceeds the threshold as determined by the Directors for the relevant Fund. The surrogate will usually be in the form of a futures index, but might also be a basket of securities, which the Directors believe is 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 Share Classes in the same Fund.

As at the date of issue of this Prospectus, the measure described above, known as fair value pricing is not being applied to any Funds. The Directors, however, reserve the right to implement fair value pricing whenever they deem it appropriate.

# Section 3

## 3. General Information

### 3.1. Administration Details, Charges and Expenses

#### Directors

Each of the Directors is entitled to remuneration for his services at a rate determined by the Company in the general meeting from time to time. In addition, each Director may be paid reasonable expenses incurred while attending meetings of the board of Directors or general meetings of the Company. Directors who are also directors/employees of the Management Company and/or any Schroders' company will waive their Directors' remuneration. External Directors will be remunerated for their services, though Jacques Elvinger does not receive any direct remuneration for serving as a Director. However, he is a partner at Elvinger, Hoss & Prussen, the Principal Legal Adviser of the Company, which receives fees in that capacity.

#### Management Company

The Directors have designated Schroder Investment Management (Luxembourg) S.A. as (i) its management company to perform investment management, administration, shareholder registration, dealing and marketing functions in respect of the Company and (ii) as alternative investment fund manager of the Company within the meaning of article 1 (46) of the 2013 Law.

The Management Company has been permitted by the Company to delegate certain administrative, distribution and management functions to specialised service providers. In that context, the Management Company has delegated certain administration functions to J.P. Morgan Bank Luxembourg S.A. and may delegate certain marketing functions to entities which form part of the Schroders group. The Management Company has also delegated the portfolio management function of the Funds to the Investment Managers within the limits permitted by the 2013 Law and subject to proper supervision as more fully described below. However, the Management Company remains responsible for risk management function.

The Management Company will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give at any time further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company is entitled to receive the customary charges for its services as administration agent, coordinator, domiciliary agent, global distributor, principal paying agent and registrar and transfer agent. These fees accrue daily on each Business Day at an annual rate of up to 0.4% by reference to the Net Asset Value of the relevant Fund and are paid monthly in arrears. These fees are subject to review from time to time by the Management Company and the Company. The Management Company is also entitled to reimbursement of all reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Schroder Investment Management (Luxembourg) S.A. was incorporated as a "Société Anonyme" in Luxembourg on 23 August 1991 and has an issued share capital of EUR 12,650,000. Schroder Investment Management (Luxembourg) S.A. has been authorised as a management company under chapter 15 of the Law and as alternative investment fund manager under the 2013 Law.

#### Investment Managers

The Investment Managers may on a discretionary basis acquire and dispose of securities of the Funds for which they have been appointed as investment adviser and manager, subject to and in accordance with instructions received from the Management Company and/or the Company from time to time, and in accordance with stated investment objectives and restrictions. The Investment Managers are entitled to receive as remuneration for their services management fees, as specified in Appendix III. Such fees are calculated and accrued on each Dealing Day by reference to the Net Asset Values of the Funds and paid monthly in arrears. In the performance of their duties, Investment Managers may seek, at their own expense, advice from investment advisers.

The Investment Managers of the Funds are specified in Appendix III.

### **Performance Fees**

In consideration of the services provided by the Investment Managers in relation to the Funds, the former are entitled to receive a performance fee, in addition to management fees.

The performance fee becomes due in the event of outperformance, that is, if the Net Asset Value per Share at the end of the relevant performance period exceeds the High Water Mark, i.e. by reference to the Net Asset Value per Share at the end of any previous performance period (the High Water Mark). The performance period shall normally be each financial year except that where the Net Asset Value per Share as at the end of the financial year is lower than the High Water Mark, the performance period will commence on the date of the High Water Mark. If a performance fee is introduced on a Fund during a financial year, then its first performance period will commence on the date on which such fee is introduced.

The performance fee is set at 10% (except for Schroder Alternative Solutions UK Dynamic Absolute Return Fund, for which it is set at 20%) of the positive performance as defined above, and is payable yearly during the month immediately following the end of each financial year. In addition if a Shareholder redeems or switches all or part of their Shares before the end of a performance period, any accrued performance fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager. The High Water Mark is not reset on those Dealing Days at which performance fees crystallise following the redemption or switch of Shares.

It should be noted that as the Net Asset Value per Share may differ between Share Classes, separate performance fee calculations will be carried out for separate Share Classes within the Fund, which therefore may become subject to different amounts of performance fee.

A Share Class' performance fee is accrued on each Business Day, on the basis of the difference between the Net Asset Value per Share on the preceding Business Day (before deduction of any provision for the performance fee) and the High Water Mark, multiplied by the average number of Shares in issue over the financial year.

On each Business Day, the accounting provision made on the preceding Business Day is adjusted to reflect the Shares' performance, positive or negative, calculated as described above. If the Net Asset Value per Share on the Business Day is lower than the High Water Mark, the provision made on such Business Day is returned to the relevant Share Class within the relevant Fund. The accounting provision may, however, never be negative. Under no circumstances will the respective Investment Manager pay money into a Fund or to any Shareholder for any underperformance. At the time of issue of this Prospectus, the relevant Funds and Share Classes in relation to which the performance fee may be introduced are specified in the Fund details in Appendix III, as appropriate.

### **Marketing of the Shares and terms applying to Distributors**

The Management Company shall perform its marketing functions by appointing and, as the case may be, terminating, coordinating among and compensating third party distributors of good repute in the countries where the Shares of the Funds may be distributed or privately placed. Third party distributors shall be compensated for their distribution, shareholder servicing and expenses. Third party distributors may be paid a portion or all of the initial charge, distribution charge, shareholder servicing fee, and management fee.

Distributors may only market the Company's Shares if the Management Company has authorised them to do so.

Distributors shall abide by and enforce all the terms of this Prospectus including, where applicable, the terms of any mandatory provisions of Luxembourg laws and regulations relating to the distribution of the Shares. Distributors shall also abide by the terms of any laws and regulations applicable to them in the country where their activity takes place, including, in particular, any relevant requirements to identify and know their clients.

Distributors must not act in any way that would be damaging or onerous on the Company in particular by submitting the Company to regulatory, fiscal or reporting information it would otherwise not have been subject to. Distributors must not hold themselves out as representing the Company.

### Structured Products

Investment in the Shares for the purpose of creating a structured product replicating the performance of the Funds is only permitted after entering into a specific agreement to this effect with the Management Company. In the absence of such an agreement, the Management Company can refuse an investment into the Shares if this is related to a structured product and deemed by the Management Company to potentially conflict with the interest of other Shareholders.

### Depositary

J.P. Morgan Bank Luxembourg S.A. has been appointed as the Depositary of the Company within the meaning of the 2013 Law. J.P. Morgan Bank Luxembourg S.A. was incorporated as a "Société Anonyme" for an unlimited duration on May 16, 1973 and has its registered office at European Bank & Business Centre, 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg. On 31 December 2013, its capital reserves amounted to USD 1,039,453,645. The principal activities of J.P. Morgan Bank Luxembourg S.A. are custodial and investment administration services.

The Depositary may receive a fee in relation to these fiduciary services, which is set at a rate of up to 0.005% per annum of the Net Asset Value of the Company.

The Depositary shall assume its functions and responsibilities in accordance with the 2010 Law and the 2013 Law. The principal duties of the Depositary are as follows:

- (A) Safe-keeping of the assets of the Company that can be held in custody (including book entry securities) and record-keeping of assets that cannot be held in custody in which case the Depositary must verify their ownership;
- (B) Ensure that the Company's cash flows are properly monitored, and in particular ensure that all payments made by or on behalf of investors upon the subscription of Shares in the Company have been received and that all cash of the Company has been booked in cash accounts that the Depositary can monitor and reconcile;
- (C) Ensure that the issue, redemption and cancellation of Shares of the Company are carried out in accordance with applicable laws and the Articles;
- (D) Ensure that the value of the Shares of the Company is calculated in accordance with applicable laws, the Articles and the valuation procedures;
- (E) Carry out the instructions of the Management Company, unless they conflict with applicable laws or the Articles;
- (F) Ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- (G) Ensure that the Company's income is applied in accordance with applicable laws and the Articles.

In relation to the Depositary's safekeeping duties as referred to in paragraph (a) above, in respect of financial instruments (that can be held in custody (as defined in article 1 (51) of the 2013 Law), the Depositary is liable to the Shareholders for any loss of such financial instruments held in custody by the Depositary or any delegate of the Depositary to whom safekeeping of those financial instruments has been delegated (a "Sub-Custodian"), save to the extent that any such liability has been contractually discharged to a Sub-Custodian pursuant to article 19(11) and article 19(13) of the 2013 Law. The term "loss of financial instruments held in custody" shall be interpreted in accordance with the AIFM Regulation and especially article 100 of the AIFM Regulation.

The Depositary may only delegate its safekeeping functions but not its oversight functions. Additionally, when delegating such functions, the Depositary shall comply with the due diligence and supervisory requirements of the 2013 Law relating to the selection and on-going monitoring of Sub-Custodians. The Depositary shall also ensure that identified conflicts of interest are managed and monitored.

In the event that the law of a particular jurisdiction requires that certain financial instruments be held in custody by a local entity and no local Sub-Custodian has been identified by the Depositary as being capable of fulfilling the delegation requirements of the 2013 Law, the Management Company shall, prior to the Shareholders investing in those financial instruments, (i) ensure that the Shareholders are duly informed that the

delegation is required due to legal constraint in that jurisdiction and (ii) set out for them the circumstances that, in the reasonable opinion of the Management Company, justify such delegation. In the event that the delegation requirements of the 2013 Law are not capable of being fulfilled by a Sub-Custodian after the Shareholder has invested in the Company, the Management Company shall also ensure that the Shareholders are informed of the legal constraints in the relevant law and of the circumstances that, in the reasonable opinion of the Management Company, justify such delegation.

To the extent that a Sub-Custodian is permitted to sub-delegate its functions, it may do so only to the extent that its liability under the 2013 Law is not affected by such sub-delegation.

A list of the appointed Sub-Custodians shall be made available to Shareholders on request. There are currently no arrangements for the contractual discharge of the Depositary's liability. Shareholders shall be notified of any arrangements agreed with the Depositary for any such discharge.

The Depositary will receive from the Company such fees and commissions as are in accordance with usual practice in Luxembourg as well as accounting fees covering the Company's accounting. The custody safe keeping services and transaction fees are paid on a monthly basis and are calculated on the assets held at the month end. The percentage rate of the safekeeping fee and the level of transaction fees vary, according to the country in which the relevant activities take place, up to a maximum of 0.5% per annum and USD150 per transaction respectively.

Fees relating to core fund accounting and valuation services are calculated and accrued on each Business Day at an annual rate of up to 0.023% of the Net Asset Value of a Fund, subject to an annual minimum fee of USD 20,000. Additional fees may be due from each Fund for additional services such as non-standard valuations; additional accounting services, for example performance fee calculations; and for tax reporting services.

Fiduciary fees, custody safekeeping and transaction fees, together with fund accounting and valuation fees, may be subject to review by the Depositary and the Company from time to time. In addition, the Depositary is entitled to any reasonable expenses properly incurred in carrying out its duties.

The amounts paid to the Depositary will be shown in the Company's financial statements.

#### **Other Charges and Expenses**

The Company will pay all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, settlement costs and bank charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Company may be marketed in different countries; expenses incurred in the issue, switch and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

Investment Managers may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager, including the Company, and where the Investment Manager is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Company. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice.

The Company shall bear its incorporation expenses, including the costs of drawing up and printing the Prospectus, notary public fees, the filing costs with administrative and stock exchange authorities, the costs of printing the certificate and any other costs pertaining to the setting up and launching of the Company.

The expenses incurred by the Company in relation to the launch of additional Funds will be borne by, and payable out of the assets of, those Funds and will be amortised on a straight line basis over 5 years from the launch date.

### 3.2. Company Information

(A) The Company is an umbrella open-ended investment company with limited liability, organised as a "société anonyme" and qualifies as a SICAV under part II of the Law. The Company was incorporated on 6 October 2005 and its Articles were last amended on 22 May 2012 and published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") on 31 May 2012.

The Company is registered under Number B 111 315 with the "Registre de Commerce et des Sociétés", where the Articles have been filed and are available for inspection. The Company exists for an indefinite period.

(B) The minimum capital of the Company required by Luxembourg law is EUR 1,250,000. The share capital of the Company is represented by fully paid Shares of no par value and is at any time equal to its Net Asset Value. Should the capital of the Company fall below two thirds of the minimum capital, an Extraordinary Meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must be taken by a majority of the Shares present or represented at the meeting. Where the share capital falls below one quarter of the minimum capital, the Directors must convene an Extraordinary Meeting of Shareholders to decide upon the liquidation of the Company. At that Meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the Shares present or represented.

(C) The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into:

- (1) Fund Services Agreement between the Company and Schroder Investment Management (Luxembourg) S.A. as the appointed Management Company.
- (2) Global Custody Agreement between the Company, J.P. Morgan Bank Luxembourg S.A. and the Investment Manager

The material contracts listed above may be amended from time to time by agreement between the parties thereto.

#### Documents of the Company

Copies of the Articles, Prospectus and financial reports may be obtained free of charge and upon request, from the registered office of the Company. The material contracts referred to above are available for inspection during normal business hours, at the registered office of the Company.

Any other financial information to be published concerning the Company, including the daily Net Asset Value, the historical performance of the Funds, the issue and repurchase price of the Shares and any suspension of such valuation, will be made available to the public on the website of the Management Company and upon request at the registered office of the Company and of the Management Company.

#### Queries and Complaints

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Compliance Officer, Schroder Investment Management (Luxembourg) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg.

Shareholders shall not have any direct contractual rights against the Management Company, the Investment Manager, the Depositary, the auditor of the Company or any other service providers of the Company who have been appointed from time to time by the Company.

#### Applicable laws and jurisdiction

The Company is governed by the Laws of the Grand Duchy of Luxembourg.

By entering into the Company's subscription documents the relevant Investor will enter into a contractual relationship governed by Articles, the Prospectus and applicable laws and regulations.



The subscription documents will be subject to the exclusive jurisdiction of the courts of Luxembourg to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Company or any related manner.

According to Council Regulation 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters, a judgement given in a Member State of the European Union shall, if it enforceable in that Member State, in principle (a few exceptions are provided for in Council Regulation 44/2001) be recognised in the other Member State of the European Union without any special procedure being required and shall be enforceable in the other Member States of the European Union when, on the application of any interested party, it has been declared enforceable there. Council Regulation 44/2001 shall be repealed by EU Regulation 1215/2012 of 12 December 2012 which shall apply from 10 January 2015.

### **3.3. Dividends**

#### **Dividend Policy**

It is intended that the Company will distribute dividends to holders of Distribution Shares in the form of cash in the relevant Fund's currency. Annual dividends are declared separately in respect of Distribution Shares at the annual general meeting of Shareholders. In addition, the Directors may declare interim dividends in respect of Distribution Shares.

A dividend calendar including details on the distribution frequency and the dividend calculation basis for all available Share Classes can be requested from the Management Company and is available on [www.schroders.lu](http://www.schroders.lu).

The Directors may decide that dividends be automatically reinvested by the purchase of further Shares. However, no dividends will be distributed if their amount is below the amount of EUR 50 or its equivalent. Such amount will automatically be reinvested.

Dividends to be reinvested will be paid to the Management Company who will reinvest the money on behalf of the Shareholders in additional Shares of the same Share Class. Such Shares will be issued on the payment date at the Net Asset Value per Share of the relevant Share Class in non-certificated form. Fractional entitlements to registered Shares will be recognised to two decimal places.

Income equalisation arrangements are applied in the case of all Share Classes. These arrangements are intended to ensure that the income per share which is distributed in respect of a Distribution Period is not affected by changes in the number of Shares in issue during that period.

Dividends remaining unclaimed five years after the dividend record date will be forfeited and will accrue for the benefit of the relevant Fund.

### **3.4. Taxation**

The following is based on the Directors' understanding of the law and practice in force at the date of this document and applies to Investors acquiring Shares as an investment. Investors should, however, consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, switching, redeeming or otherwise dealing in the Company's Shares under the laws of their countries of citizenship, residence and domicile. This summary is subject to future changes.

#### **Luxembourg Taxation**

##### **(A) The Company**

The Company is not subject to any taxes in Luxembourg on income or capital gains. The only tax to which the Company in Luxembourg is subject, is the "taxe d'abonnement" at a rate of up to 0.05% per annum based on the Net Asset Value of each Fund at the end of the relevant quarter, calculated and paid quarterly. In respect of any Share Class which comprises only institutional investors (within the meaning of "Article 174 of the Law"), the tax levied will be at the rate of 0.01% per annum.

Income and gains, if any, received or realised by the Company from investments may be subject to taxation in the state of source at varying rates, which normally cannot be recovered.

**(B) Shareholders**

Shareholders are not normally subject to any capital gains, income, withholding, transfer, gift, estate, inheritance or other taxes in Luxembourg on holding, transferring, purchasing, or repurchasing of Shares in the Company or on any dividends, distributions or other payments made to such Shareholders, except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg.

Shareholders should consult their tax advisers for a more detailed analysis of tax issues arising for them from investing in the Company.

Shareholders who need further advice should seek it from independent professional advisors.

**UK Taxation****(A) The Company**

It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it will not become resident in the UK. Accordingly, and provided that the Company does not carry on a trade in the UK through a branch or agency situated therein, the Company will not be subject to UK corporation tax or income tax.

**(B) Shareholders****Offshore Funds Legislation**

Part 8 of the Taxation (International and Other Provisions) Act 2010 and Statutory Instrument 2009/3001 (the "Offshore Funds regulations") provide that if an investor who is resident or ordinarily resident in the United Kingdom for taxation purposes disposes of a holding in an offshore entity that constitutes an "offshore fund" and that offshore fund does not qualify as a "Reporting Fund" throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as a capital gain. The Company is an "offshore fund" for the purpose of those provisions.

All Share Classes, with the exception of R Shares (see further below), are currently managed with a view to them qualifying as 'Reporting Funds' for taxation purposes, and accordingly any capital gain on disposal of Shares will not be reclassified as an income gain under the UK's offshore fund rules. A full list of reporting Share Classes is available from the Management Company on request. A list of Reporting Funds and their certification dates is published on the HM Revenue and Customs ("HMRC") website: <http://www.hmrc.gov.uk/cisc/offshore-funds.htm>.

Under the Offshore Fund regulations, investors in Reporting Funds are subject to tax on their share of the Reporting Fund's income for an accounting period, whether or not the income is distributed to them. UK resident holders of Accumulation Shares should be aware that they will be required to account for and pay tax on income which has been reported to them in respect of their holdings, on an annual basis through their tax return, even though such income has not been distributed to them.

For the avoidance of doubt, distributions which in accordance with 3.3 above have been reinvested in further Shares by the Investment Managers should be deemed for the purpose of UK tax as having been distributed to the Shareholders and subsequently reinvested by them, and accordingly should form part of the Shareholder's taxable income of the period in which the dividend is deemed to have been received.

In accordance with the Offshore Funds regulations, reportable income attributable to each Share Class will be published within 10 months of the end of the reporting period on the following Schroders website: [www.schroders.com/luxprof/fund-centre/income-tables](http://www.schroders.com/luxprof/fund-centre/income-tables).

It is the Investor's responsibility to calculate and report their respective total reportable income to HMRC based on the number of Shares held at the end of the reporting period. In addition to reportable income attributable to each Share Class the report will include information on amounts distributed per Share and the dates of distributions in respect of the reporting period. Shareholders with particular needs may request their report be provided in paper form, however we reserve the right to make a charge for this service.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 provides that, if at any time in an accounting period a person within the charge of United Kingdom corporation tax holds an interest in an offshore fund within the meaning of the relevant provisions of the tax legislation, and there is a time in that period when that fund fails to meet the "qualifying investments test", the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to meet the "qualifying investments test" at any time where more than 60% of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves meet the "qualifying investments test". The Shares will constitute interests in an offshore fund and on the basis of the investment policies of the Company, the Company could fail to meet the "qualifying investments test".

R Shares do not qualify as Reporting Funds for taxation purposes, and accordingly any capital gain on disposal of R Shares will be reclassified as an income gain under the UK's offshore fund rules and taxed accordingly.

#### **Transfer of Assets Abroad**

The attention of individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007, which may render them liable to income tax in respect of the undistributed income of the Company.

#### **Controlled Foreign Companies Legislation**

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the fact that the "controlled foreign companies" legislation contained in Chapter IV of Part XVII of the Taxes Act could apply to any United Kingdom resident company which is, either alone or together with persons associated with it for taxation purposes, deemed to be interested in 25% or more of any chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled (as control is defined in Section 755D of the Taxes Act) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40% of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40% and not more than 55% of such interests, rights and powers. The "chargeable profits" of the Company do not include any of its capital gains. The effect of these provisions could be to render such companies liable to United Kingdom corporation tax in respect of the undistributed income of the Company.

#### **Non-Resident Close Companies**

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the provisions of Section 13 Taxation of Chargeable Gains Act 1992 ("Section 13"). Section 13 could be material to any such person who has an interest in the Company as a "participator" for United Kingdom taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Company (such as on a disposal of any of its investments) which constitutes a chargeable gain or offshore income gain if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of Section 13 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company. No liability under Section 13 could be incurred by such a person, however, in respect of a chargeable gain or offshore income gain accruing to the Company if the aggregate proportion of that gain that could be attributed under Section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one-tenth of the gain.

**Stamp Taxes**

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest GBP 5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

**Distributions**

Distributions paid by Funds that hold more than 60% of their assets in interest-bearing, or economically similar, form at any time in an accounting period are treated as a payment of annual interest for UK resident individual investors. The distribution is subject to tax at the rates applying to interest (currently 10%, 20%, 40% and 45%).

Distributions paid by Funds that have no more than 60% of their assets in interest-bearing form at all times in an accounting period are treated as foreign dividends bearing a non-payable dividend tax credit for UK resident individual investors. The dividend is subject to tax at the rates applying to dividends (currently 10%, 32.5% and 37.5%), and the tax credit either partly or fully satisfies the UK tax liability of the investor. Investors liable to income tax at the basic rate will have no further liability to tax. Higher and additional rate taxpayers will have to pay an additional amount of income tax. Non-taxpayers may not reclaim the tax credits on dividend distributions.

**Equalisation**

The Company operates full equalisation arrangements. Equalisation applies to shares purchased during a Distribution Period. The amount of income, calculated daily and included in the purchase price of all shares purchased part way through a distribution period is refunded to holders of these shares on a first distribution as a return of capital. Being capital it is not liable to income tax and it should be excluded from the calculation of reportable income included in a UK Shareholder's tax return. The daily income element of all Shares is held on a database and is available upon request from the Company's registered office or online at ([www.schroders.com/equalisation](http://www.schroders.com/equalisation)).

The aim of operating equalisation is to relieve new investors in the fund from the liability to tax on income already accrued in the shares they acquire. Equalisation will not affect Shareholders who own their shares for the whole of a Distribution Period.

**U.S. Tax Reporting Obligations under FATCA**

The provisions of the Foreign Account Tax Compliance Act 2012 were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act and became part of the Code (FATCA). It includes provisions under which the Company as Foreign Financial institution ("FFI") may be required to report directly to the Internal Revenue Service ("IRS") certain information about shares held by US persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. Financial institutions that do not enter into an agreement with the IRS and comply with the FATCA regime could be subject to 30% withholding tax on any payment of US source income as well as on the gross proceeds deriving from the sale of securities generating US income made to the Company.

In order to comply with its FATCA obligations, from 1 July 2014 the Company may be required to obtain certain information from its investors so as to ascertain their U.S. tax status. If the investor is a specified US person for the purposes of FATCA, US owned non-US entity, non-participating FFI ("NPFFI") or does not provide the requisite documentation promptly, the Company will need to report information on these investors to the Luxembourg tax authority, in accordance with applicable laws and regulations, which will in turn report this to the IRS. Provided that the Company acts in accordance with these provisions it will not be subject to withholding tax under FATCA.

Shareholders, and intermediaries acting for Shareholders, should note that it is the existing policy of the Company that Shares are not being offered or sold for the account of US Persons for the purposes of FATCA and that subsequent transfers of Shares to such US Persons are prohibited. Shareholders should moreover note that under the FATCA legislation, the definition of US Persons for the purposes of FATCA may include a wider range of investors than the current US Person definition.

### **3.5. Meetings and Reports**

#### **Meetings**

In principle, the annual general meeting of Shareholders of the Company is held in Luxembourg on the third Tuesday of January in each year at 11:00 or, if such day is not a Business Day, on the next Business Day. For all general meetings of Shareholders notices are sent to registered Shareholders by post at least 8 days prior to the meeting. Notices will be published if and to the extent required by Luxembourg law in the Mémorial and in a Luxembourg newspaper(s) and in such other newspapers as the Directors may decide. Such notices will include the agenda and specify the place of the meeting. The notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the Shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"). The right of a Shareholder to participate at a general meeting of Shareholders and to exercise voting rights attached to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date. Meetings of Shareholders of any given Fund or Share Class shall decide upon matters relating to that Fund or Share Class only.

#### **Reports**

The financial year of the Company ends on 30 September each year. An abridged version of the audited annual report of the Company will be made available upon request to Shareholders ahead of the annual general meeting of Shareholders. This abridged version encloses the report of the Directors, a statement of the net assets of the Funds and statistical information, a statement of operations and of changes in net assets of the Funds, notes to the financial statements and the independent auditors' report. The unaudited half-yearly report and full version of the audited annual report will also be prepared. Such reports form an integral part of this Prospectus. Copies of the annual, semi-annual and financial reports may be obtained on the Schroder Investment Management (Luxembourg) S.A. Internet site [www.schroders.lu](http://www.schroders.lu) and are available free of charge from the registered office of the Company.

### **3.6. Details of Shares**

#### **Shareholder rights**

The Shares issued by the Company are freely transferable and entitled to participate equally in the profits, and in case of Distribution Shares, dividends of the Share Classes to which they relate, and in the net assets of such Share Class upon liquidation. The Shares carry no preferential and pre-emptive rights. There are no preferential treatments of Shareholders, Shareholders rights are those described in this Prospectus and the Articles. All Shareholders subscribe to the Shares of the Fund under the same terms.

#### **Voting**

At general meetings, each Shareholder has the right to one vote for each whole Share held.

A Shareholder of any particular Fund or Share Class will be entitled at any separate meeting of the Shareholders of that Fund or Share Class to one vote for each whole Share of that Fund or Share Class held.

In the case of a joint holding, only the first named Shareholder may vote.

#### **Compulsory redemption**

The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares 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 Company including a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold.

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

### **Transfers**

The transfer of registered Shares may be effected by delivery to the Management Company of a duly signed stock transfer form. Any new investors in receipt of stock transfers need to comply with Section 2.1 under Subscription for Shares.

### **Rights on a winding-up**

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an extraordinary general meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Fund shall be distributed by the liquidators to the Shareholders of the relevant Fund in proportion to the value of their holding of Shares.

The Directors may, subject to regulatory approval decide to redeem, liquidate, reorganise or contribute all the Shares in a Fund into another Fund of the Company or into another UCI if and when the net assets of all Share Classes in a Fund are less than EUR 50,000,000 or its equivalent in another currency, or in the case of a Share Class, such Share Class falls below the amount of EUR 10,000,000 or its equivalent in another currency, or such other amounts as may be determined by the Directors from time to time to be the minimum level for assets of such Fund to be operated in an economically efficient manner or if any economic or political situation would constitute a compelling reason therefor, or if required in the interest of the Shareholders of the relevant Fund. In any such event Shareholders will be notified by a notice published by the Company in accordance with applicable Luxembourg laws and regulations prior to compulsory redemption, liquidation or contribution to another Fund or to another UCI and, in the case of a compulsory redemption, will be paid the Net Asset Value of the Shares of the relevant Share Class held as at the redemption date.

In case of contribution to another UCI of the mutual fund type, the merger will be binding only on Shareholders of the relevant Fund who will expressly agree to the merger.

Under the same circumstances as described above, subject to regulatory approval the Directors may also decide upon the reorganisation of any Fund by means of a division into two or more separate Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more separate Funds resulting from the reorganisation.

The decision to merge, liquidate or reorganise a Fund may also be taken at a meeting of Shareholders of the particular Fund concerned.

Any liquidation proceeds not claimed by the Shareholders at the close of the liquidation of a Fund will be deposited in escrow at the "Caisse de Consignation". Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

### **Information**

As required by the AIFM Rules, and if applicable, the following information will be periodically provided to Shareholders by means of disclosure in the annual and half-yearly reports of the Company or, if the materiality so justifies, notified to Shareholders separately:

- the percentage of the Funds' assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing liquidity of the Funds, whether or not these are special arrangements, including any changes to the liquidity management systems and procedures referred to in article 16 (1) of the AIFMD and as specified in the "Liquidity risk management" part of the "Leverage" section set out in Appendix III which are material in accordance with article 106(1) of the AIFM Regulation;
- the current risk profile of the Funds and the risk management system employed by the Management Company to manage those risks;
- any changes to the maximum level of leverage which the Management Company may employ on behalf of the Funds as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement;

- the total amount of leverage employed by the Funds;

Should the Management Company activate any gates, side pockets or similar special arrangements or where the Management Company decides to suspend redemptions, the Company shall immediately notify affected Shareholders as set out in section "2.5 Suspensions or Deferrals" of the Prospectus. Any change to the liability arrangements agreed with the Depositary for any discharge of liability shall also be notified without delay to the Shareholders to the extent required by, and in accordance with, applicable laws and regulations.

The Management Company will also make available upon request at its registered office all information to be provided to investors under the 2013 Law, including: (i) all relevant information regarding conflicts of interest (such as the description of any conflict of interest that may arise from any delegation of the functions listed in Appendix I of the 2013 Law or of any conflicts that must be communicated to investors under Articles 13.1 and 13.2 of the 2013 Law), (ii) the maximum amount of the fees that may be paid annually by the Funds, (iii) the way chosen to cover potential liability risks resulting from its activities under the 2013 Law, and (iv) any collateral and asset reuse arrangements, including any right to reuse collateral and guarantees granted under the leveraging agreement (iv) information on any preferential treatment granted to certain Shareholders and (vi) the risk profile of each Fund. The list of the Sub-Custodians used by the Depositary will be made available upon receipt at the registered office of the Management Company.

### **3.7. Pooling**

For the purpose of effective management, and subject to the provisions of the Articles and to applicable laws and regulations, the Management Company may invest and manage all or any part of the portfolio of assets established for two or more Funds (for the purposes hereof "Participating Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Management Company may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Share Class concerned. The share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Management Company shall, in its discretion, determine the initial value of notional units (which shall be expressed in such currency as the Management Company considers appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the notional unit shall be determined by dividing the Net Asset Value of the asset pool by the number of notional units subsisting.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of units of the Participating Fund concerned will be increased or reduced, as the case may be, by a number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it will be treated for the purpose of this calculation as reduced by an amount which the Management Company considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Company, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

### **3.8. Co-Management**

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the Directors may decide that part or all of the assets of one or more Funds will be co-managed with assets belonging to other Luxembourg collective investment schemes. In the following paragraphs, the words "co-managed entities" shall refer globally to the Funds and all entities with and between which there

would exist any given co-management arrangement and the words "co-managed Assets" shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, the Investment Manager, if appointed and granted the day-to-day management will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of the relevant Fund's portfolio. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Directors or any of the Company's appointed agents, the co-management arrangement may cause the composition of assets of the relevant Fund to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which the Fund is co-managed will lead to an increase of the Fund's reserve of cash.

Conversely, redemptions made in one entity with which any Fund is co-managed will lead to a reduction of the Fund's reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Directors or any of the Company's appointed agents to decide at anytime to terminate its participation in the co-management arrangement permit the relevant Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of its Shareholders.

If a modification of the composition of the relevant Fund's portfolio resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the Fund) is likely to result in a breach of the investment restrictions applicable to the relevant Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets of the Funds shall, as the case may be, only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets in order to assure that investment decisions are fully compatible with the investment policy of the relevant Fund. Co-managed Assets shall only be co-managed with assets for which the Depositary is also acting as depository in order to assure that the Depositary is able, with respect to the Company and its Funds, to fully carry out its functions and responsibilities pursuant to the Regulations. The Depositary shall at all times keep the Company's assets segregated from the assets of other co-managed entities, and shall therefore be able at all time to identify the assets of the Company and of each Fund. Since co-managed entities may have investment policies which are not strictly identical to the investment policy of the relevant Funds, it is possible that as a result the common policy implemented may be more restrictive than that of the Funds concerned.

A co-management agreement shall be signed between the Company, the Depositary and the Investment Managers in order to define each of the parties' rights and obligations. The Directors may decide at any time and without notice to terminate the co-management arrangement.



Shareholders may at all times contact the registered office of the Company to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Audited annual and half-yearly reports shall state the co-managed Assets' composition and percentages.

# Appendix I

## Investment and Borrowing Restrictions

The Funds must ensure an adequate spread of investment risks by sufficient diversification and compliance with the percentage limits set out below.

The investment restrictions applicable to the Funds are as follows (expressed as a percentage of their Net Asset Value):

- (A) Restrictions on the use of Commodity Linked Derivatives and other Derivative Financial Instruments
- (1) Margin deposits in relation to derivative financial instruments dealt on an organised market, premiums paid for the acquisition of options outstanding as well as the commitments arising from derivative financial instruments contracted by private agreement may not exceed, in aggregate, one third of the Net Asset Value. The commitment in relation to a transaction on a derivative financial instrument entered into by private agreement by the Funds corresponds to any non-realised loss resulting, at that time, from the relevant transaction.
  - (2) The Funds must maintain a reserve of liquid assets in an amount at least equal to the margin deposits made by the Funds but never less than 30% of the Net Asset Value for Gold and Precious Metals Fund, Agriculture Fund and Commodity Fund. Liquid assets do not only comprise time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, but also treasury bills and bonds issued by OECD member countries or their local authorities or by supranational institutions and organisations with European, regional or worldwide scope as well as bonds listed on a stock exchange or dealt on a Regulated Market, which operates regularly and is open to the public, issued by first class issuers and being highly liquid.
  - (3) The Funds may not hold an open position in a single contract relating to a derivative financial instrument dealt on an organised market or a single contract relating to a derivative financial instrument entered into by private agreement for which the margin required or the commitment taken, respectively, represents 5% or more of the Net Asset Value.
  - (4) Premiums paid to acquire options outstanding having identical characteristics may not exceed 5% of the Net Asset Value.
  - (5) The Funds may not hold an open position in derivative financial instruments relating to a single commodity or a single category of forward contracts on financial instruments for which the margin required (in relation to derivative financial instruments negotiated on an organised market) together with the commitment (in relation to derivative financial instruments entered into by private agreement) represent 20% or more of the Net Asset Value.

(B) Restrictions on Investments in Securities

- (1) The Funds may not invest more than 10% of their Net Asset Value in securities which are not quoted on a stock exchange or dealt on another Regulated Market, which operates regularly and is recognised and open to the public,
- (2) The Funds may not acquire more than 10% of the securities of the same nature issued by the same issuer,
- (3) The Funds may not invest more than 20% of their Net Asset Value in securities issued by the same issuer.

The restrictions set forth under (1), (2) and (3) above are not applicable to securities issued or guaranteed by a member state of the OECD or by its local authority or by supranational institutions and organisations with European, regional or worldwide scope.

- (C) Restrictions on Investments in open-ended Collective Investment Schemes The Funds may not invest more than 10% of their net assets in units of UCITS or other UCIs.

When a Fund invests in the units of other UCITS and/or other UCIs linked to the Company by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a

management company linked to the Investment Manager, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

In respect of a Fund's investments in UCITS and other UCIs linked to the Company as described in the preceding paragraph, there shall be no management fee charged to that portion of the assets of the relevant Fund. The Company will indicate in its annual report the total management fees charged both to the relevant Fund and to the UCITS and other UCIs in which such Fund has invested during the relevant period.

A Fund (the "Investing Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Funds (each, a "Target Fund") without the Company being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

- (1) the Target Fund(s) do(es) not, in turn, invest in the Investing Fund invested in this (these) Target Fund(s); and
- (2) no more than 10% of the assets that the Target Fund(s) whose acquisition is contemplated may be invested in units of other Target Funds; and
- (3) voting rights, if any, attaching to the Shares of the Target Fund(s) are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- (4) in any event, for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
- (5) there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Fund having invested in the Target Fund(s) and this (these) Target Fund(s).

(D) Restrictions on Currency Hedging

The Funds may for the purposes of hedging currency risks have outstanding commitments in respect of forward currency contracts, currency futures or currency swap agreements or currency options (sales of call options or purchases of put options) provided that the Funds may use currency contracts for the purpose of hedging provided that traded positions do not exceed the level necessary to cover the risk of a particular currency exposure.

The Funds may also use forward currency contracts to hedge back to investment currencies those investments which are made temporarily in other currencies, if for market reasons the Funds have decided to discontinue temporarily investments denominated in such currency. Similarly, the Funds may hedge through forward contracts or currency options the currency exposure of contemplated investments to be made in investment currencies, provided that these contracts are covered by assets denominated in the currency to be disposed of.

(E) Borrowing

The Funds may not borrow other than amounts which do not in aggregate exceed 10% of their Net Asset Value, and then only as a temporary measure. The Funds may not borrow to finance margin deposits. For the purpose of this restriction back to back loans are not considered to be borrowings.

(F) Securities and Cash Lending

The Funds will not engage in securities or cash lending transactions where the Funds act as the lender of such securities or cash.

(G) Repurchase Agreements

The Funds will not enter into any repurchase agreements or reverse repurchase agreements.

(H) Short Selling

The Funds will only engage in short selling of investments through the use of derivatives.

(I) Security Interests

The Funds will not grant security interests in respect of more than 25% of their Net Asset Value. For this purpose, payment of margin or collateral in respect of derivatives and other transactions will not constitute security interests. In addition, the Funds' assets may not be encumbered with guarantees.

(J) Japanese investment restrictions

To accommodate the potential investment of Japanese investors more than 50% of the value of the assets of each Fund, with the exception of Schroder Alternative Solutions UK Dynamic Absolute Return Fund, must consist of "securities (yuka shoken)" (as defined in the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948 as amended) or any successor regulation of Japan) (except for those rights regarded as securities by each Item of Paragraph 2 of Article 2 of the Law, but including the securities-related derivative transactions as prescribed by Item 6 of Paragraph 8 of Article 28, the same applies hereinafter) and so as long as any assets of any Investor are being invested in any Shares, the Investment Manager shall manage each Fund available to any Investors so that at any time more than 50% of the value of such Fund will consist of such "securities".

While ensuring observance of the principle of risk spreading across issuers, asset classes, and commodity sectors, the Funds may derogate from the diversification restrictions above for a period of six months following the date of the first NAV calculation.

If the percentage limitations set out above are exceeded for reasons beyond the control of the Funds, or for any reasons whatsoever, the investments must be brought back within the designated percentage limits within a reasonable period, taking due account of the Shareholders' interests.

# Appendix II

## Risks of Investment

### 1. General Risks

Past performance is not a guide to future performance and Shares, other than Shares of liquidity Funds, if any, 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 Shareholders 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 the Investor greater than the usual risks of investment.

### 2. 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.

### 3. Regulatory Risk

The Company is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally the Funds will be registered in non-EU jurisdictions. As a result of such registrations the Funds may be subject, without any notice to the Shareholders in the Funds concerned, to more restrictive regulatory regimes. In such cases the Funds will abide by these more restrictive requirements. This may prevent the Funds from making the fullest possible use of the investment limits.

### 4. Risk of Suspension of Share Dealings

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended (see Section 2.5, "Suspensions or Deferrals").

### 5. 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.

### 6. 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 Manager 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 Manager will consider whether the security continues to be an appropriate investment for the Fund. A Fund's Investment Manager 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 Manager.

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. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

## 7. 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.

## 8. 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.

## 9. Financial Derivative Instrument Risk

For a Fund that uses financial derivative instruments to meet its specific 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 Shareholders.

## 10. 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 Shareholders, suffering a loss.

## 11. Credit Default Swap Risk

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. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

## 12. Futures, Options and Forward Transactions Risk

A Fund may use options, futures and forward contracts on currencies, securities, indices, 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 an increased 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.

**13. 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 is 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.

**14. Equity Linked Note Risk**

The return component of an equity linked note is based on the performance of a single 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.

**15. General Risk associated with OTC Transactions**

Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. In addition, the prices of such instruments may include an undisclosed dealer mark-up which a Fund may pay as part of the purchase price.

**16. Counterparty Risk**

The Company conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Company 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, bonds 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 first class institutions which are subject to prudential supervision and specialising in these types of transactions.

**17. Custody Risk**

Assets of the Company are safe kept by the Depositary and Investors are exposed to the risk of the Depositary not being able to fully meet its obligation to reconstitute in a short time frame all of the assets of the Company in the case of bankruptcy of the Depositary. The assets of the Company will be identified in the Depositary's books as belonging to the Company. Securities held by the Depositary will be segregated from other assets of the Depositary 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 Depositary does not keep all the assets of the Company itself but uses a network of sub-custodians which are not part of the same group of companies as the Depositary. Investors 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 Depositary.

A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depositary will have no liability.

**18. 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.

### **19. 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.

### **20. 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 such a Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

### **21. Concentration of Investments Risks**

Although it will be the policy of the Company to diversify its investment portfolio, a Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### **22. 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 subprime 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 at 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.

### **23. 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.

### **24. 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.

### **25. 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 crisis 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.

Equity investments in Russia are currently subject to certain risks with regard to the ownership and custody of securities. This results from the fact that no physical share certificates are issued and ownership of securities is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary), other than by local regulation. No certificates representing shareholdings in Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system.

Equity investments in Russia may also be settled using the local depository, the National Settlement Depository ("NSD"). Although NSD is legally recognised as a central securities depository ("CSD"), it is not currently operated as a CSD and may not protect finality of title. Like local custodians, the NSD still has to register the equity positions with the registrar in its own nominee name.

If concerns are raised regarding a specific investor, the whole nominee position in a depository could be frozen for a period of months until the investigation is complete. As a result, there is a risk that an investor could be restricted from trading because of another NSD account holder. At the same time should an underlying registrar be suspended, investors settling through registrars cannot trade, but settlement between two depository accounts can take place. Any discrepancies between a registrar and the NSD records

may impact corporate entitlements and potentially settlement activity of underlying clients, which is mitigated by the frequent position reconciliations between the depositories and the registrars.

Securities traded on the Moscow Exchange can be treated as investment in securities dealt in on a Regulated Market.

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.

## **26. Potential Conflicts of Interest**

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

The Investment Managers will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

Such potential conflicting interests or duties may arise because the Investment Managers or Schrodgers may have invested directly or indirectly in the Company.

## **27. Commodity-linked Derivatives**

Investments in commodity-linked derivative instruments may subject the Company to greater volatility than instruments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

# Appendix III

## Available Funds

The investment objectives and policies described below are binding on the Investment Manager of each Fund, although there can be no assurance that an investment objective will be met.

The Funds bearing an asterisk (\*) next to their name are not available for subscription at the time of issue of this Prospectus. Such Funds will be launched at the Directors' discretion, at which time this Prospectus will be updated accordingly.

## Hedged Share Classes

The base currency of Gold and Precious Metals Fund, Agriculture Fund and Commodity Fund is the USD and the base currency of UK Dynamic Absolute Return Fund is the GBP. In respect of any additional currency denominated Share Classes, the Management Company has the ability to hedge the Shares of such Classes in relation to the base currency in such manner as it deems appropriate.

Share Classes may be offered in various currencies (each a "Reference Currency") at the Directors' discretion. Where offered in a currency other than the base currency, a Share Class will be designated as such. Confirmation of the Funds and currencies in which the currency denominated and hedged Share Classes are available can be obtained from the Management Company.

In respect of such additional Share Classes, the Management Company has the ability to fully hedge the Shares of such Share Classes in relation to the base currency. In this instance currency exposures or currency hedging transactions within the Fund's portfolio will not be considered.

The performance of hedged share classes aims to be similar to the performance of equivalent Share Classes in base currency. There is no assurance however that the hedging strategies employed will be effective in delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of such additional Share Class. Similarly, any expenses arising from such hedging transactions will be borne by the Share Class in relation to which they have been incurred.

Collateral received in connection with currency hedging transactions (and in particular currency forward transactions) on behalf of currency hedged Share Classes, may be reinvested, in compliance with the applicable investment policy and restrictions of the Funds.

It should be noted that these hedging transactions may be entered into whether the Reference Currency is declining or increasing in value relative to the relevant base currency and so, where such hedging is undertaken it may substantially protect Investors in the relevant Share Class against a decrease in the value of the base currency relative to the Reference Currency, but it may also preclude Investors from benefiting from an increase in the value of the base currency.

In addition the Investment Manager may hedge the base currency against the currencies in which the underlying assets of the Fund are denominated or the underlying unhedged assets of a target fund are denominated.

There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Reference Currency.

## RMB Hedged Share Classes

Since 2005, the RMB exchange rate is no longer pegged to the USD. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Republic of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions.

Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point.

The RMB Hedged Share Classes participate in the offshore RMB (CNH) market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The RMB Hedged Share Classes will have no requirement to remit CNH to onshore RMB (CNY).

## Schroder Alternative Solutions Commodity Fund

### Investment Objective

The Fund's investment objective is to generate growth in the long term through investment in commodity related instruments globally.

### Investment Approach

The Fund may be exposed to a range of commodity sectors from time to time but the Investment Manager currently anticipates that the Fund will be primarily invested in the energy, agriculture and metals sectors. The Fund may however invest in any sector of the commodity market in the discretion of the Investment Manager. In terms of geography, the Fund has a global remit. The Fund will be actively managed on a total return basis. The Fund is benchmark unconstrained; i.e. it will be actively managed without reference to any specific benchmark, from an asset allocation perspective. However for performance comparison purposes, the Manager will compare the Fund's performance with the most commonly quoted commodity indices.

The Fund will invest predominantly in a range of commodity related derivative instruments, principally comprising futures and other commodity linked derivative instruments (e.g. swaps on physical commodities, futures on commodity indices), and structured notes and, to a lesser extent in equities, debt securities, convertible securities, warrants of issuers in commodity related industries. The Fund may also invest in foreign currency (e.g. forward currency contracts, currency options, and swaps on currencies), and cash or cash equivalents including certificates of deposit, treasury bills, and floating rate notes.

The Fund will not acquire any physical commodities directly. The Fund will not enter into any contracts relating to physical commodities other than commodity futures, warrants, swaps, and options contracts. Any commodity futures or options contracts and any other derivative instruments that call for physical delivery of the underlying commodity will be liquidated prior to delivery and the Investment Manager has put in place procedures to ensure that this occurs.

The economic exposure of commodity related derivatives or equity securities, debt securities, convertible securities or warrants of issuers in commodity related industries will represent at least two-thirds of the total assets of the Fund, without taking into account any cash or cash equivalents, i.e. bank credit balances and money market instruments with maturities of up to twelve months.

The Fund will typically seek to gain exposure to the commodity markets by investing in commodity futures and commodity related total return swaps. A swap allows a Fund to create exposure to a specific commodity. The Fund pays a replication fee during the lifetime of the swap. At maturity the Fund receives an amount linked to the rise in the price of the commodity over the term of the swap. If the price of the commodity falls the Fund pays this amount to the counterparty.

To implement its investment policy, the Fund may use standardised and non-standardised (customised) derivative financial instruments. It may conduct such transactions on a stock exchange or another Regulated Market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty (Over The Counter trading). Even in extraordinary circumstances, the use of these instruments will not result in the Fund being leveraged nor will they be used to engage in short selling.

The Fund's global exposure shall not exceed 100% of its total net assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in as described in section 2.3.

## Leverage

### Definition

Leverage is a way for the Fund to increase its exposure through the use of financial derivative instruments and/or borrowing of cash or securities where applicable.

Leverage is expressed as a ratio ('leverage ratio') between the exposure of the Fund and its Net Asset Value.

The leverage ratio is calculated in accordance with two methodologies for calculating the exposure of the Fund, the gross method and the commitment method as summarized in the below table.

Leverage ratio	Exposure calculation methodology
'Gross leverage ratio'	<p>The exposure calculated under the gross methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for gross exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.</p> <p>Cash and cash equivalent (including cash borrowing that remain in cash or cash equivalent) held in the base currency of the fund are excluded from the exposure calculation.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus).</p>
'Commitment leverage ratio'	<p>The exposure calculated with the commitment methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for commitment exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable. Under this method, netting and hedging arrangements can be taken into consideration under certain conditions.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus).</p>

The two ratios resulting from applying the gross or commitment methodology for calculating the exposure of the Fund supplement each other and provide a distinct representation of leverage.

Gross leverage is a conservative way of representing leverage as it does not:

- make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund.
- allow the netting of derivative positions. As a result, derivatives roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase or only cause a moderate increase of the overall Fund risk.

As a result, a Fund that exhibits a high level of gross leverage is not necessarily riskier than a Fund that exhibits a low level of gross leverage.

Commitment leverage is a more accurate representation of the true leverage of the Fund as it allows for hedging and netting arrangements under certain conditions.

By convention, the leverage ratio is expressed as a fraction. A leverage ratio of 1 or below means the Fund is unleveraged whereas a leverage ratio above 1 indicates the Fund is leveraged.

#### **Circumstances in which the Fund may use leverage and types and sources of leverage permitted**

Even in extraordinary circumstances, the use of financial derivatives will not result in the Fund being leveraged nor will they be used to engage in short selling.

**Maximum level of leverage**

Leverage ratio	Maximum leverage ratio
'Gross leverage ratio'	1
'Commitment leverage ratio'	1

**Liquidity risk management**

The Management Company has established a comprehensive liquidity risk monitoring framework to ensure that all the dimensions of Fund liquidity risk are identified, assessed and monitored on an on-going basis. This includes liquidity stress test scenarios that are designed to assess the resilience of the liquidity profile of Fund to a combination of:

- very unfavourable market liquidity conditions
- large-scale, short-notice capital outflows.

The objective is to ensure that Fund is able to comply as far as possible at all times, and under stressed market conditions, with the relevant regulatory repurchase obligations and that Fund liquidity remains in line with the respective investment policy and overall risk profile.

In exceptional circumstances such as market liquidity dislocation and in the best interest of the Fund and its Shareholders, the Management Company has implemented special procedures to defer redemption requests on a temporary basis as further detailed under section 2.5 "Suspensions or Deferrals".

**Fund Characteristics**

Portfolio Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13:00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds <sup>1</sup>	Within 3 Business Days from the relevant Dealing Day
Performance Fee	As described in section 3.1.

<sup>1</sup> Different subscription and redemption procedures may apply if applications are made through Distributors.

**Share Class Features**

Share Classes <sup>2</sup>	A	C	D
Minimum Initial Subscription	USD 10,000	USD 250,000	USD 10,000
Minimum Additional Subscription	USD 5,000	USD 125,000	USD 5,000
Minimum Holding	USD 10,000	USD 250,000	USD 10,000
Initial Charge <sup>3</sup>	Up to 5.0%	Up to 1.0%	Nil
Distribution Charge <sup>3</sup>	Nil	Nil	1.00%
Redemption Charge <sup>3</sup>	Nil	Nil	Nil <sup>4</sup>
Investment Management Fee <sup>5</sup>	Up to 1.50%	1.00%	Up to 1.50%
Performance Fee	Yes	Yes	Yes

Share Classes <sup>2</sup>	J	I	X
Minimum Initial Subscription	USD 5,000,000	USD 5,000,000	USD 25,000,000
Minimum Additional Subscription	USD 2,500,000	USD 2,500,000	USD 12,500,000
Minimum Holding	USD 5,000,000	USD 5,000,000	USD 25,000,000
Initial Charge <sup>3</sup>	Nil	Nil	Nil
Distribution Charge <sup>3</sup>	Nil	Nil	Nil
Redemption Charge <sup>3</sup>	Nil	Nil	Nil
Investment Management Fee <sup>5</sup>	Nil	Nil	Nil
Performance Fee	Nil	Nil	Yes

<sup>2</sup> Other Share Classes described in section 1.3 of the Prospectus may also be available at the Management Company's discretion.

<sup>3</sup> Percentages are stated with reference to the net asset value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate. The Initial Charge is expressed as a percentage of the total subscription amount. For example, up to 5% of the total subscription amount is equivalent to 5.26315% of the Net Asset Value per Share.

<sup>4</sup> However some charges for example redemption or administration charges may be deducted by the Distributor from the redemption proceeds as agreed separately between the shareholders and the Distributor. Shareholders should check with the respective Distributors for details of the arrangement.

<sup>5</sup> Percentages are stated with reference to the net asset value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate.



## Schroder Alternative Solutions Agriculture Fund

### Investment Objective

The Fund's investment objective is to generate growth in the long term through investment in agricultural commodity related instruments globally.

### Investment Approach

The Fund may be exposed to a range of agricultural commodities. The Fund may also invest in any sector of the agricultural commodity market in the discretion of the Investment Manager. In terms of geography, the Fund has a global remit. The Fund is benchmark unconstrained; i.e. it will be actively managed without reference to any specific benchmark, from an asset allocation perspective. However for performance comparison purposes, the Manager will compare the Fund's performance with the most commonly quoted commodity indices.

The Fund will invest predominantly in a range of agricultural commodity related derivative instruments, principally comprising futures and other commodity linked derivative instruments (e.g. swaps on physical commodities, futures on commodity indices), and structured notes and, to a lesser extent in equities, debt securities, convertible securities, warrants of issuers in commodity related industries. The Fund may also invest in foreign currency (e.g. forward currency contracts, currency options, and swaps on currencies), and cash or cash equivalents including certificates of deposit, treasury bills, and floating rate notes.

The Fund will not acquire any physical commodities directly. The Fund will not enter into any contracts relating to physical commodities other than commodity futures, warrants, swaps, and options contracts. Any commodity futures or options contracts and any other derivative instruments that call for physical delivery of the underlying commodity will be liquidated prior to delivery and the Investment Manager has put in place procedures to ensure that this occurs.

The economic exposure of commodity-agriculture related derivatives or equity securities, debt securities, convertible securities or warrants of issuers in commodity-agriculture related industries will represent at least two-thirds of the total assets of the Fund, without taking into account any cash or cash equivalents, i.e. bank credit balances and money market instruments with maturities of up to twelve months.

The Fund will typically seek to gain exposure to the commodity markets by investing in commodity futures and commodity related total return swaps. A swap allows a Fund to create exposure to a specific commodity. The Fund pays a replication fee during the lifetime of the swap. At maturity the Fund receives an amount linked to the rise in the price of the commodity over the term of the swap. If the price of the commodity falls the Fund pays this amount to the counterparty.

To implement its investment policy, the Fund may use standardised and non-standardised (customised) derivative financial instruments. It may conduct such transactions on a stock exchange or another Regulated Market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty (Over The Counter trading). Even in extraordinary circumstances, the use of these instruments will not result in the Fund being leveraged nor will they be used to engage in short selling.

The Fund's global exposure shall not exceed 100% of its total net assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in as described in section 2.3.

## Leverage

### Definition

Leverage is a way for the Fund to increase its exposure through the use of financial derivative instruments and/or borrowing of cash or securities where applicable.

Leverage is expressed as a ratio ('leverage ratio') between the exposure of the Fund and its Net Asset Value.

The leverage ratio is calculated in accordance with two methodologies for calculating the exposure of the Fund, the gross method and the commitment method as summarized in the below table.

Leverage ratio	Exposure calculation methodology
'Gross leverage ratio'	<p>The exposure calculated under the gross methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for gross exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.</p> <p>Cash and cash equivalent (including cash borrowing that remain in cash or cash equivalent) held in the base currency of the fund are excluded from the exposure calculation.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus).</p>
'Commitment leverage ratio'	<p>The exposure calculated with the commitment methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for commitment exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable. Under this method, netting and hedging arrangements can be taken into consideration under certain conditions.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus).</p>

The two ratios resulting from applying the gross or commitment methodology for calculating the exposure of the Fund supplement each other and provide a distinct representation of leverage.

Gross leverage is a conservative way of representing leverage as it does not:

- make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund.
- allow the netting of derivative positions. As a result, derivatives roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase or only cause a moderate increase of the overall Fund risk.

As a result, a Fund that exhibits a high level of gross leverage is not necessarily riskier than a Fund that exhibits a low level of gross leverage.

Commitment leverage is a more accurate representation of the true leverage of the Fund as it allows for hedging and netting arrangements under certain conditions.

By convention, the leverage ratio is expressed as a fraction. A leverage ratio of 1 or below means the Fund is unleveraged whereas a leverage ratio above 1 indicates the Fund is leveraged.

#### **Circumstances in which the Fund may use leverage and types and sources of leverage permitted**

Even in extraordinary circumstances, the use of financial derivatives will not result in the Fund being leveraged nor will they be used to engage in short selling.

#### **Maximum level of leverage**

Leverage ratio	Maximum leverage ratio
'Gross leverage ratio'	1
'Commitment leverage ratio'	1

### Liquidity risk management

The Management Company has established a comprehensive liquidity risk monitoring framework to ensure that all the dimensions of Fund liquidity risk are identified, assessed and monitored on an on-going basis. This includes liquidity stress test scenarios that are designed to assess the resilience of the liquidity profile of Fund to a combination of:

- very unfavourable market liquidity conditions
- large-scale, short-notice capital outflows.

The objective is to ensure that Fund is able to comply as far as possible at all times, and under stressed market conditions, with the relevant regulatory repurchase obligations and that Fund liquidity remains in line with the respective investment policy and overall risk profile.

In exceptional circumstances such as market liquidity dislocation and in the best interest of the Fund and its Shareholders, the Management Company has implemented special procedures to defer redemption requests on a temporary basis as further detailed under section 2.5 "Suspensions or Deferrals".

### Fund Characteristics

Portfolio Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13:00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds <sup>1</sup>	Within 3 Business Days from the relevant Dealing Day
Performance Fee	As described in Section 3.1

<sup>1</sup> Different subscription and redemption procedures may apply if applications are made through Distributors.

**Share Class Features**

Share Classes <sup>2</sup>	A	C	D
Minimum Initial Subscription	USD 10,000	USD 250,000	USD 10,000
Minimum Additional Subscription	USD 5,000	USD 125,000	USD 5,000
Minimum Holding	USD 10,000	USD 250,000	USD 10,000
Initial Charge <sup>3</sup>	Up to 5.0%	Up to 1.0%	Nil
Distribution Charge <sup>3</sup>	Nil	Nil	1.00%
Redemption Charge <sup>3</sup>	Nil	Nil	Nil <sup>4</sup>
Investment Management Fee <sup>5</sup>	Up to 1.75%	1.25%	Up to 1.75%
Performance Fee	Yes	Yes	Yes

Share Classes <sup>2</sup>	J	I	X
Minimum Initial Subscription	USD 5,000,000	USD 5,000,000	USD 25,000,000
Minimum Additional Subscription	USD 2,500,000	USD 2,500,000	USD 12,500,000
Minimum Holding	USD 5,000,000	USD 5,000,000	USD 25,000,000
Initial Charge <sup>3</sup>	Nil	Nil	Nil
Distribution Charge <sup>3</sup>	Nil	Nil	Nil
Redemption Charge <sup>3</sup>	Nil	Nil	Nil
Investment Management Fee <sup>5</sup>	Nil	Nil	Nil
Performance Fee	Nil	Nil	Yes

<sup>2</sup> Other Share Classes described in section 1.3 of the Prospectus may also be available at the Management Company's discretion.

<sup>3</sup> Percentages are stated with reference to the net asset value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate. The Initial Charge is expressed as a percentage of the total subscription amount. For example, up to 5% of the total subscription amount is equivalent to 5.26315% of the Net Asset Value per Share.

<sup>4</sup> However some charges for example redemption or administration charges may be deducted by the Distributor from the redemption proceeds as agreed separately between the shareholders and the Distributor. Shareholders should check with the respective Distributors for details of the arrangement.

<sup>5</sup> Percentages are stated with reference to the net asset value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate.

## **Schroder Alternative Solutions Gold and Precious Metals Fund**

### **Investment Objective**

The Fund's investment objective is to generate growth in the long term through investment in gold and precious metal related commodity instruments, as well as the equities of those companies involved in precious metals related industries globally.

### **Investment Approach**

The Fund may be exposed to a range of gold and precious metal related commodities. The Fund may also invest in any sector of the gold and precious metals market at the discretion of the Investment Manager. In terms of geography, the Fund has a global remit. The Fund is benchmark unconstrained; i.e. it will be actively managed without reference to any specific benchmark, from an asset allocation perspective. For performance comparison purposes however, the Manager will compare the Fund's performance with the most commonly quoted commodity indices.

The Fund will invest predominantly in a range of gold and precious metal related derivative instruments, principally comprising futures and other commodity linked derivative instruments (e.g. swaps on physical commodities, futures on commodity indices), equities, exchange traded funds, structured notes and, to a lesser extent, in debt securities, convertible securities, warrants of issuers in precious metals related industries. The Fund may also invest in foreign currency (e.g. forward currency contracts, currency options, and swaps on currencies), and cash or cash equivalents including certificates of deposit, treasury bills, and floating rate notes.

The Fund will not acquire any physical commodities directly. The Fund will not enter into any contracts relating to physical commodities other than commodity futures, warrants, swaps, and options contracts. Any commodity futures or options contracts and any other derivative instruments that call for physical delivery of the underlying commodity will be liquidated prior to delivery and the Investment Manager has put in place procedures to ensure that this occurs. All derivative instruments where applicable will be settled in cash.

The Fund's exposure to gold via the use of derivatives, exchange traded funds and structured notes, can be up to 100% of the Net Asset Value of the Fund in extreme market conditions, however in the normal course of managing the Fund, it is not expected that exposure to gold will exceed 75% of the Net Asset Value. This exposure will be achieved in compliance with the investment restrictions contained in Appendix I.

The Fund will seek to gain exposure to the commodity markets by investing in commodity futures and commodity related total return swaps. A swap allows the Fund to create exposure to a specific commodity. The Fund pays a replication fee during the lifetime of the swap. At maturity the Fund receives an amount linked to the rise in the price of the commodity over the term of the swap. If the price of the commodity falls the Fund pays this amount to the counterparty.

To implement its investment policy, the Fund may use standardised and non-standardised (customised) derivative financial instruments. It may conduct such transactions on a stock exchange or another Regulated Market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty (Over the Counter trading). Even in extraordinary circumstances, the use of these instruments will not result in the Fund being leveraged nor will they be used to engage in short selling.

The Fund's global exposure shall not exceed 100% of its total net assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in as described in section 2.3.

## **Leverage**

### **Definition**

Leverage is a way for the Fund to increase its exposure through the use of financial derivative instruments and/or borrowing of cash or securities where applicable.

Leverage is expressed as a ratio ('leverage ratio') between the exposure of the Fund and its Net Asset Value.

The leverage ratio is calculated in accordance with two methodologies for calculating the exposure of the Fund, the gross method and the commitment method as summarized in the below table.

Leverage ratio	Exposure calculation methodology
'Gross leverage ratio'	<p>The exposure calculated under the gross methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for gross exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.</p> <p>Cash and cash equivalent (including cash borrowing that remain in cash or cash equivalent) held in the base currency of the fund are excluded from the exposure calculation.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus).</p>
'Commitment leverage ratio'	<p>The exposure calculated with the commitment methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for commitment exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable. Under this method, netting and hedging arrangements can be taken into consideration under certain conditions.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus).</p>

The two ratios resulting from applying the gross or commitment methodology for calculating the exposure of the Fund supplement each other and provide a distinct representation of leverage.

Gross leverage is a conservative way of representing leverage as it does not:

- make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund.
- allow the netting of derivative positions. As a result, derivatives roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase or only cause a moderate increase of the overall Fund risk.

As a result, a Fund that exhibits a high level of gross leverage is not necessarily riskier than a Fund that exhibits a low level of gross leverage.

Commitment leverage is a more accurate representation of the true leverage of the Fund as it allows for hedging and netting arrangements under certain conditions.

By convention, the leverage ratio is expressed as a fraction. A leverage ratio of 1 or below means the Fund is unleveraged whereas a leverage ratio above 1 indicates the Fund is leveraged.

#### **Circumstances in which the Fund may use leverage and types and sources of leverage permitted**

Even in extraordinary circumstances, the use of financial derivatives will not result in the Fund being leveraged nor will they be used to engage in short selling.

**Maximum level of leverage**

Leverage ratio	Maximum leverage ratio
'Gross leverage ratio'	1.25
'Commitment leverage ratio'	1

**Liquidity risk management**

The Management Company has established a comprehensive liquidity risk monitoring framework to ensure that all the dimensions of Fund liquidity risk are identified, assessed and monitored on an on-going basis. This includes liquidity stress test scenarios that are designed to assess the resilience of the liquidity profile of Fund to a combination of:

- very unfavourable market liquidity conditions
- large-scale, short-notice capital outflows.

The objective is to ensure that Fund is able to comply as far as possible at all times, and under stressed market conditions, with the relevant regulatory repurchase obligations and that Fund liquidity remains in line with the respective investment policy and overall risk profile.

In exceptional circumstances such as market liquidity dislocation and in the best interest of the Fund and its Shareholders, the Management Company has implemented special procedures to defer redemption requests on a temporary basis as further detailed under section 2.5 "Suspensions or Deferrals".

**Fund Characteristics**

Portfolio Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13:00 Luxembourg time on any Dealing Day
Dealing Frequency / Dealing Day	Daily, on each Business Day
Settlement period of subscription and redemption proceeds <sup>1</sup>	Within 3 Business Days from the relevant Dealing Day
Performance Fee	Nil

<sup>1</sup> Different subscription and redemption procedures may apply if applications are made through Distributors.

**Share Class Features**

Share Classes <sup>2</sup>	A	C	D
Minimum Initial Subscription	USD 10,000	USD 250,000	USD 10,000
Minimum Additional Subscription	USD 5,000	USD 125,000	USD 5,000
Minimum Holding	USD 10,000	USD 250,000	USD 10,000
Initial Charge <sup>3</sup>	Up to 5.0%	Up to 1.0%	Nil
Distribution Charge <sup>3</sup>	Nil	Nil	1.00%
Redemption Charge <sup>3</sup>	Nil	Nil	Nil <sup>4</sup>
Investment Management Fee <sup>5</sup>	Up to 1.50%	1.00%	Up to 1.50%
Performance Fee	Nil	Nil	Nil

Share Classes <sup>2</sup>	J	I	X
Minimum Initial Subscription	USD 5,000,000	USD 5,000,000	USD 25,000,000
Minimum Additional Subscription	USD 2,500,000	USD 2,500,000	USD 12,500,000
Minimum Holding	USD 5,000,000	USD 5,000,000	USD 25,000,000
Initial Charge <sup>3</sup>	Nil	Nil	Nil
Distribution Charge <sup>3</sup>	Nil	Nil	Nil
Redemption Charge <sup>3</sup>	Nil	Nil	Nil
Investment Management Fee <sup>5</sup>	Nil	Nil	Nil
Performance Fee	Nil	Nil	Nil

<sup>2</sup> Other Share Classes described in section 1.3 of the Prospectus may also be available at the Management Company's discretion.

<sup>3</sup> Percentages are stated with reference to the net asset value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate. The Initial Charge is expressed as a percentage of the total subscription amount. For example, up to 5% of the total subscription amount is equivalent to 5.26315% of the Net Asset Value per Share.

<sup>4</sup> However some charges for example redemption or administration charges may be deducted by the Distributor from the redemption proceeds as agreed separately between the shareholders and the Distributor. Shareholders should check with the respective Distributors for details of the arrangement.

<sup>5</sup> Percentages are stated with reference to the net asset value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate.



## Schroder Alternative Solutions UK Dynamic Absolute Return Fund

### Investment Objective

To provide an absolute return of capital growth and income. The Fund will primarily invest directly, or indirectly through the use of financial derivative instruments, in equity and equity related securities of small or mid-sized companies incorporated in the United Kingdom, or companies which derive a predominant proportion of their revenues or profits from, or which are predominantly operating within, the UK.

### Investment Approach

Financial derivative instruments could be employed to generate additional exposure through long or covered short positions to the Fund's underlying assets.

The investment strategy of the Fund and the use of financial derivative instruments may lead to situations where it is considered appropriate that prudent levels of cash, or cash equivalent liquidity will be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund's assets.

The Fund may be capacity constrained and therefore the Fund or some of its Share Classes may be closed to new subscriptions or switches in, as described in section 2.3.

## Leverage

### Definition

Leverage is a way for the Fund to increase its exposure through borrowing of cash or securities and/or the use of financial derivative instruments.

Leverage is expressed as a ratio ('leverage ratio') between the exposure of the Fund and its Net Asset Value.

The leverage ratio is calculated in accordance with two methodologies for calculating the exposure of the Fund, the gross method and the commitment method as summarized in the below table.

Leverage ratio	Exposure calculation methodology
'Gross leverage ratio'	<p>The exposure calculated under the gross methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for gross exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable.</p> <p>Cash and cash equivalent (including cash borrowing that remain in cash or cash equivalent) held in the base currency of the fund are excluded from the exposure calculation.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus).</p>
'Commitment leverage ratio'	<p>The exposure calculated with the commitment methodology consists of (i) the sum of the absolute values of all positions, (ii) the sum of the equivalent positions in the underlying assets of all financial derivative instruments entered into by the Fund in accordance with the conversion methodologies for commitment exposure calculation, (iii) the exposure resulting from the reinvestment of cash borrowings where applicable and (iv) the exposure resulting from the reinvestment of collateral in relation to efficient portfolio management transactions where applicable. Under this method, netting and hedging arrangements can be taken into consideration under certain conditions.</p> <p>The ratio to which the above exposure is applied is the total assets (as calculated by the respective methodologies) divided by total net assets (as calculated in accordance with the Prospectus).</p>

The two ratios resulting from applying the gross or commitment methodology for calculating the exposure of the Fund supplement each other and provide a distinct representation of leverage.

Gross leverage is a conservative way of representing leverage as it does not:

- make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund.
- allow the netting of derivative positions. As a result, derivatives roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase or only cause a moderate increase of the overall Fund risk.

As a result, a Fund that exhibits a high level of gross leverage is not necessarily riskier than a Fund that exhibits a low level of gross leverage.

Commitment leverage is a more accurate representation of the true leverage of the Fund as it allows for hedging and netting arrangements under certain conditions.

By convention, the leverage ratio is expressed as a fraction. A leverage ratio of 1 or below means the Fund is unleveraged whereas a leverage ratio above 1 indicates the Fund is leveraged.

#### **Circumstances in which the Fund may use leverage and types and sources of leverage permitted**

Financial derivative instruments could be employed to generate additional exposure - leverage.

#### **Maximum level of leverage**

<b>Leverage ratio</b>	<b>Maximum leverage ratio</b>
'Gross leverage ratio'	2.5
'Commitment leverage ratio'	2

#### **Liquidity risk management**

The Management Company has established a comprehensive liquidity risk monitoring framework to ensure that all the dimensions of Fund liquidity risk are identified, assessed and monitored on an on-going basis. This includes liquidity stress test scenarios that are designed to assess the resilience of the liquidity profile of Fund to a combination of:

- very unfavourable market liquidity conditions
- large-scale, short-notice capital outflows.

The objective is to ensure that Fund is able to comply as far as possible at all times, and under stressed market conditions, with the relevant regulatory repurchase obligations and that Fund liquidity remains in line with the respective investment policy and overall risk profile.

In exceptional circumstances such as market liquidity dislocation and in the best interest of the Fund and its Unitholders, the Management Company has implemented special procedures to defer redemption requests on a temporary basis as further detailed under section 2.5 "Suspensions or Deferrals".

### Fund Characteristics

Portfolio Currency	GBP
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	Subscription: 13:00 Luxembourg time 5 Business Days prior to the relevant Dealing Day  Redemption: 13:00 Luxembourg time 30 calendar days prior to the relevant Dealing Day
Dealing Frequency/Dealing Day	Monthly, on the last Business Day of each calendar month
Settlement period of subscription and redemption proceeds <sup>1</sup>	Within 3 Business Days from the relevant Dealing Day
Performance Fee	As described in section 3.1.

### Share Class Features

Share Classes <sup>2</sup>	C
Minimum Initial Subscription	GBP 250,000
Minimum Additional Subscription	GBP 125,000
Minimum Holding	GBP 250,000
Initial Charge <sup>3</sup>	Up to 1.00%
Distribution Charge <sup>3</sup>	Nil
Redemption Charge <sup>3</sup>	Nil <sup>4</sup>
Investment Management Fee <sup>5</sup>	Up to 1.50%
Performance Fee	Yes

<sup>1</sup> Different subscription and redemption procedures may apply if applications are made through Distributors.

<sup>2</sup> Other Share Classes described in section 1.3 of the Prospectus may also be available at the Management Company's discretion.

<sup>3</sup> Percentages are stated with reference to the net asset value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate. The Initial Charge is expressed as a percentage of the total subscription amount. For example, up to 1% of the total subscription amount is equivalent to 1.01010% of the Net Asset Value per Share.

<sup>4</sup> However some charges for example redemption or administration charges may be deducted by the Distributor from the redemption proceeds as agreed separately between the Shareholders and the Distributor. Shareholders should check with the respective Distributors for details of the arrangement.

<sup>5</sup> Percentages are stated with reference to the net asset value of the Fund or relevant Class or the Net Asset Value per Share, as may be appropriate.

# Appendix IV

## Other information

- (A) A list of all Funds and Share Classes may be obtained, free of charge and upon request, from the registered office of the Company.
- (B) MSCI disclaimer (Source: MSCI): The information obtained from MSCI and other data providers, included in this Prospectus, may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information and that of other data providers is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling or creating any MSCI information (collectively, the "MSCI Parties") and other data providers, expressly disclaim all warranties (including, without limitation any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party or other data provider have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

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