

Schroder GAIA Prospectus

(a Luxembourg domiciled open-ended investment company)

August 2013

Luxembourg



Schroders

Schroder GAIA
(a Luxembourg domiciled open-ended investment company)

Prospectus

August 2013

Important Information

Copies of this Prospectus can be obtained from and enquiries regarding the Company should be addressed to:

Schroder Investment Management (Luxembourg) S.A.

5, rue Höhenhof
L-1736 Senningerberg
Grand Duchy of Luxembourg
Tel: (+352) 341 342 202
Fax: (+352) 341 342 342

This prospectus (the "Prospectus") should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to herein.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Management Company. Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The Directors, whose names appear below, have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge and belief, in accordance with the facts and does not omit anything material to such information. The Directors accept responsibility accordingly.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Investors wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the tax consequences of any transaction in Shares.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all of the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

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) or (ii) when required by law or regulation.

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.

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

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries.

Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

The Management Company may use telephone recording procedures to record any conversation. Investors are deemed to consent to the recording of conversations with the Management Company and to the use of such recordings by the Management Company and/or the Company in legal proceedings or otherwise at their discretion.

The price of Shares in the Company and the income from them may go down as well as up and an Investor may not get back the amount invested.

Table of Contents

Definitions	9
Directors	11
Administration	12
Section 1	1. The Company 13
	1.1 Structure 13
	1.2 Investment Objectives and Policies 13
	1.3 Share Classes 13
Section 2	2. Share Dealing 16
	2.1 Subscription for Shares 16
	2.2 Redemption and Switching of Shares 19
	2.3 Restrictions on Subscriptions and Switches into certain Funds or Classes 22
	2.4 Calculation of Net Asset Value 22
	2.5 Suspensions or Deferrals 24
	2.6 Market Timing and Frequent Trading Policy 25
Section 3	3. General Information 26
	3.1 Administration Details, Charges and Expenses 26
	3.2 Performance Fees 29
	3.3 Company Information 31
	3.4 Dividends 32
	3.5 Taxation 32
	3.6 Meetings and Reports 36
	3.7 Details of Shares 36
Appendix I	Investment Restrictions 38
	1. Investment in Transferable Securities and Liquid Assets 38
	2. Investment in Other Assets 42
	3. Financial Derivative Instruments 42
	4. Use of Techniques and Instruments relating to Transferable Securities and Money Market Instruments 44
	5. Management of Collateral 44
	6. Risk Management Process 46
	7. Miscellaneous 46
Appendix II	Risks of Investment 47
	1. General Risks 47
	2. Investment Objective Risk 47
	3. Regulatory Risk 47
	4. Business, Legal and Tax Risks 47
	5. Risk Factors Relating to Industry Sectors / Geographic Areas 47
	6. Risk of Suspension of Share Dealings 47
	7. Interest Rate Risk 47
	8. Credit Risk 47
	9. Liquidity Risk 48
	10. Inflation/Deflation Risk 48
	11. Financial Derivative Instrument Risk 48
	12. Warrants Risk 48
	13. Credit Default Swap Risk 48
	14. Futures, Options and Forward Transactions Risk 48
	15. Credit Linked Note Risk 49
	16. Equity Linked Note Risk 49
	17. Insurance Linked Securities Risk 49
	18. General Risk associated with OTC Transactions 49
	19. Counterparty Risk 49

	20. Custody Risk	50
	21. Smaller Companies Risk	50
	22. Technology Related Companies Risk	50
	23. Lower Rated, Higher Yielding Debt Securities Risk	50
	24. Property and Real Estate Companies Securities Risk	51
	25. Mortgage Related and Other Asset Backed Securities Risks	51
	26. Initial Public Offerings Risk	51
	27. Risk Associated with Debt Securities Issued Pursuant to Rule 144A under the Securities Act of 1933	52
	28. Emerging and Less Developed Markets Securities Risk	52
	29. Specific Risks linked to Securities Lending and Repurchase Transactions	53
	30. Potential Conflicts of Interest	53
	31. Investment Funds	53
	32. Exchange Rates	53
	33. Fixed Income Securities	54
	34. Equity Securities	54
	35. Private Equity	54
	36. Commodities	54
	37. Impact of Fund of Funds Strategies on Tax Efficiency for Shareholders	54
	38. Business Dependent Upon Key Individuals	54
Appendix III	Fund Details	55
	Category 1 – Externally Managed Funds	57
	Category 2 – Internally Managed Funds	65
Appendix IV	Other information	73

Definitions

Accumulation Shares or ACC Shares	shares which accumulate their income so that the income is included in the price of the shares
Administration Agent	Brown Brothers Harriman (Luxembourg) S.C.A.
Articles	the Articles of Association of the Company as amended from time to time
Business Day	a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day, unless otherwise provided in the Fund's details in Appendix III.
Calculation Day	a Business Day on which the Net Asset Value per Share is calculated for a Share Class and/or a Fund, as defined for each Fund in Appendix III. 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-Calculation Days for Funds which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets
Company	Schroder GAIA
Custodian	Brown Brothers Harriman (Luxembourg) S.C.A.
CSSF	Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority)
Dealing Cut-off Time	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
Dealing Day	a Business Day on which dealing instructions received for a Fund are executed, as defined for each Fund in Appendix III. A Business Day on which dealing instructions for a Fund are executed, shall not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Share Class or of the Net Asset Value of the relevant Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets on which any substantial portion of the Company's investments of the relevant Fund are quoted are closed for trading and settlement, and whether underlying Investment Funds representing a material part of the assets the relevant Fund invests in are closed for dealing and/or the determination of the net asset value per share is suspended. The Management Company 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 and/or these closed underlying Investment Funds. 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
Directors or Board of Directors	the board of directors of the Company
Distributor	a person or entity duly appointed from time to time by the Management Company to distribute or arrange for the distribution of Shares
Distribution Shares	shares which distribute their income
EEA	European Economic Area
Eligible State	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
EU	European Union
EUR	the European currency unit (also referred to as the Euro)
Fund	a specific portfolio of assets and liabilities within the Company, being a sub-fund of the Company and having its own Net Asset Value and represented by a separate Share Class or Share Classes
GAIA	Global Alternative Investor Access
Investment Adviser	Schroders NewFinance Capital LLP

Investment Fund(s)	a UCITS or other UCI in which the Funds may invest, as determined in the investment rules described in Appendix I
Investment Manager	any investment manager appointed by the Management Company, to manage each Fund under its supervision
Investor	a subscriber for Shares
Law	the law on undertakings for collective investment dated 17 December 2010, as may be amended from time to time
Management Company	Schroder Investment Management (Luxembourg) S.A.
Net Asset Value	Net Asset Value per Share (as described below) multiplied by the number of Shares
Net Asset Value per Share	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 2.4
OTC	over-the-counter
QEP	quantitative equity portfolio
Regulated Market	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
Regulations	Part I of the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions applicable to UCITS
Schroders	Schroders plc., the Management Company's and Investment Adviser's ultimate holding company, and its subsidiaries and affiliates worldwide
Share	a share of no par value in any one Share Class in the capital of the Company
Share Class	a class of Shares with specific characteristics such as a specific fee structure
Shareholder	a holder of Shares
UCI	an "undertaking for collective investment" as defined in the Law
UCITS	an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the UCITS Directive
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS
UK	United Kingdom
USA or US	the United States of America (including the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction
USD	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.

Directors

Chairman

- **Eric BERTRAND**
Director
NFCP SL
Diagonal 640, Pl.6
Barcelona 08017
Spain

Other Directors

- **Daniel DE FERNANDO GARCIA**
Independent Director
Serrano 1
28001 Madrid
Spain
- **Claude KREMER**
Partner
Arendt & Medernach
14, rue Erasme
L-2082 Luxembourg
Grand Duchy of Luxembourg
- **Achim KUESSNER**
Country Head Germany, Austria & CEE
Schroder Investment Management GmbH
Taunustor 2
60311 Frankfurt
Germany
- **Ketil PETERSEN**
Country Head Nordic Region
Schroder Investment Management A/S
Store Stranstraede 21
1255 Copenhagen K
Denmark
- **Gavin RALSTON**
Global Head of Official Institutions and Product
Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA
United Kingdom
- **Georges-Arnaud SAIER**
Independent Director
6, rue Paul Baudry
75008 Paris
France
- **Carlo TRABATTONI**
Head of Pan European Intermediary Distribution and GFIG
Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA
United Kingdom

Administration

Registered Office	5, rue Höhenhof L-1736 Senningerberg Grand Duchy of Luxembourg
Management Company	Schroder Investment Management (Luxembourg) S.A. 5, rue Höhenhof L-1736 Senningerberg Grand Duchy of Luxembourg
Investment Adviser	Schroders NewFinance Capital LLP 31 Gresham Street London EC2V 7QA United Kingdom
Investment Managers	Avoca Capital Management LLP Level 25, Heron Tower 110 Bishopsgate London EC2N 4AY United Kingdom CQS Asset Management Limited 5th Floor 33 Grosvenor Place London SW1X 7HY United Kingdom Egerton Capital (UK) LLP Stratton House 5 Stratton Street London W1J 8LA United Kingdom Schroder Investment Management Limited 31 Gresham Street London EC2V 7QA United Kingdom Schroder Investment Management (Switzerland) AG Central 2 CH-8021 Zürich Switzerland Sirios Capital Management L.P. One International Place Boston MA 02110 United States (Please refer to Appendix III on the Fund)
Custodian and Administration Agent	Brown Brothers Harriman (Luxembourg) S.C.A. 2-8, Avenue Charles de Gaulle L-2014 Luxembourg Grand Duchy of Luxembourg
Independent Auditors	PricewaterhouseCoopers, Société coopérative 400, route d'Esch L-1471 Luxembourg Grand Duchy of Luxembourg
Principal Legal Adviser	Arendt & Medernach 14, rue Erasme L-2082 Luxembourg Grand Duchy of Luxembourg
Principal Paying Agent	Schroder Investment Management (Luxembourg) S.A. 5, rue Höhenhof L-1736 Senningerberg Grand Duchy of Luxembourg

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"). 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.

Certain Shares may be listed on the Luxembourg Stock Exchange as well as any other recognised stock exchange. A list of all Funds and Share Classes may be obtained free of charge from the registered office of the Company.

1.2 Investment Objectives and Policies

The exclusive objective of the Company is to place the funds available to it in transferable securities of any kind and other permitted assets, including financial derivative instruments, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios. The investment strategy of each Fund is based on an alternative investment strategy which has been designed by each of the Investment Managers.

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

The investments of each Fund shall at any time comply with the restrictions set out in Appendix I, and Investors should, prior to any investment being made, take due account of the risks of investments set out in Appendix II.

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 Share Class. 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.

Investors are informed that not all Distributors offer Shares of all Share Classes.

The particular features of each Share Class are provided below and in Appendix III.

Sales Charge

The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion from time to time. The initial charge attributable to each Share Class is specified in the Fund Details 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 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 may not be 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 Shares of a 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 section 2.2 "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 Custodian and the Management Company, as well as of other charges and expenses.

Specific Features of F Shares

F Shares will only be available, with prior agreement of the Management Company, to institutional Investors, as may be defined from time to time by the guidelines or recommendations issued by the CSSF.

The Minimum Subscription Amount, the Minimum Additional Subscription Amount and the Minimum Holding Amount for F Shares, as specified in Appendix III, may be waived at the Directors' discretion from time to time. The amounts are stated in the relevant currency although near equivalent amounts in any other freely convertible currency are acceptable.

The Company will not issue, or effect any switching of, F Shares to any Investor who is not considered an institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for F 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 F 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 or an alternative Share Class which is not restricted to institutional Investors is not available, the Directors will, at their discretion, instruct the Management Company to redeem the relevant Shares in accordance with the provisions under section 2.2 "Redemption and Switching of Shares".

Specific Features of IF Shares

IF Shares will only be available, with prior agreement of the Management Company, to institutional Investors, as may be defined from time to time by the guidelines or recommendations issued by the CSSF.

The Minimum Subscription Amount, the Minimum Additional Subscription Amount and the Minimum Holding Amount for F Shares, as specified in Appendix III, may be waived at the Directors' discretion from time to time. The amounts are stated in the relevant currency although near equivalent amounts in any other freely convertible currency are acceptable.

The Company will not issue, or effect any switching of, IF Shares to any Investor who is not considered an institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IF 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 IF 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 or an alternative Share Class which is not restricted to institutional Investors is not available, the Directors will, at their discretion, instruct the Management Company to redeem the relevant Shares in accordance with the provisions under section 2.2 "Redemption and Switching of Shares".

Specific Features of E and Z Shares (except for Schroder GAIA Egerton Equity E Shares)

E and/or Z Shares will only be available at the discretion of the Management Company and can be denominated in any currency. The E and/or Z Shares will only be available until the total Net Asset Value of all available E and Z Share Classes within a Fund reaches or is greater than USD 50,000,000 or an equivalent amount in another currency; or any other amount as specifically determined by the Management Company for any Fund.

Once the total Net Asset Value of the E and Z Share Classes available in a Fund, as of any Calculation Day, reaches or is greater than USD 50,000,000 or an equivalent amount in another currency, or as specifically determined for a Fund by the Management Company, the E and Z Share Classes in that Fund will be closed to Investors for subscription. The E and Z Shares Classes in that Fund will not reopen if the total Net Asset Value of all the E and Z Share Classes available in that Fund subsequently falls below USD 50,000,000 or an equivalent amount in another currency, or the specific amount determined for a Fund by the Management Company.

Specific Features of S Shares

S Shares will only be available at the discretion of the Management Company, to staff and other connected parties of the Investment Manager, and staff of the Management Company and its affiliates.

Specific Features of Schroder GAIA Avoca Credit G Shares

Schroder GAIA Avoca Credit G Shares will only be available at the discretion of the Management Company.

Specific Features of Schroder GAIA Egerton Equity E Shares

Schroder GAIA Egerton Equity E Shares will only be available at the discretion of the Management Company.

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 Calculation 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 the associated Calculation 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 Calculation 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 the settlement period as stated in Appendix III. Any non-Dealing Days or non-Calculation 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 Share Classes is published 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, 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.

Please refer to Appendix III for details on when prices will be made available for each Fund.

Types of Shares

Shares are issued only 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 his own name is recorded 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 as to their rights.

Subscriptions in Kind

The Board of Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Fund pursuant to its investment policy and restrictions. Any such subscriptions in kind will be made at the Net Asset Value of the assets contributed calculated in accordance with the rules set out in Section 2.4 hereafter and will be the subject of an independent auditor's report drawn up in accordance with the requirements of Luxembourg law and will be at the subscriber's expense. Should the Company not receive good title on the assets contributed this 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.

Anti Money Laundering Procedures

Pursuant to international norms, 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 on-going 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.

Statement for the purposes of the UK Offshore Funds (Tax) Regulations 2009

In accordance with the requirements laid out in Chapter 6 of the UK Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) the Directors hereby state that:

Equivalence Condition

The Company complies with the requirements of the UCITS Directive.

Genuine Diversity of Ownership Condition

With the exception of S Class Shares and Schroder GAIA Egerton Equity E Shares, Shares in the Company are widely available to all Investors who meet the broad requirements for investment in any given Share Class, and are not intended to be limited to particular Investors or narrowly-defined groups of Investor. Please refer to Section 1.3 "Share Classes" for details of the minimum levels of investment and/or Investor categories that are specified as eligible to acquire particular Share Classes.

Provided that a person meets the broad requirements for investment in any given Share Class, he/she may obtain information on and acquire the relevant Shares in the Company, subject to the paragraphs immediately following.

Investment Restrictions applying to US Investors

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") 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 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, directly or indirectly, of any US Person or any non-US Person if any US Person is a direct or indirect beneficiary. For these purposes, US Person is as defined in Rule 902 of Regulation S under the Securities Act or the Internal Revenue Code of 1986, as amended (the "Code").

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

who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

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

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

Investment Restrictions applying to Canadian Investors

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.

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

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 associated Calculation Day. 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 calculated on the associated Calculation Day.

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

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

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. Any non-Dealing Days or non-Calculation 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 settlement currency of the relevant Share Class, then settlement will be on the next Business Day on which those banks are open. 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.

Redemptions in Kind

The Directors may from time to time permit redemptions in kind. Any such redemption in kind will be valued in accordance with the requirements of Luxembourg law. In case of a redemption in kind, Shareholders will have to bear costs incurred by the redemption in kind (mainly costs resulting from drawing-up of the independent auditor's report) unless the Company considers that the redemption in kind is in its own interest or made to protect its own interests. Requests for redemptions in kind may only be accepted if the total Net Asset Value of the Shares to be redeemed in a Fund is at least EUR 10,000,000 or an equivalent amount in another currency, unless otherwise determined from time to time by the Directors.

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 a different Fund within the Company.

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 and Calculation 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.

General

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.

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 Calculation Day relevant to those redemption or switching transactions. Shareholders should promptly check these confirmations to ensure that they are correct in every detail. 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 may be 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 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 the Calculation 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 specified in Appendix III, 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 such securities, financial derivative instruments and assets will be determined on the basis of the prices at the close of market on the Business Day, on the stock exchange or any other Regulated Market on which these securities or assets are traded or admitted for trading. Where such securities or other assets 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 provisions of prices of securities or assets.
 - (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 financial 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 which fulfils the following criteria:

- (I) The basis of the valuation is either a reliable up-to-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) Units or shares in open-ended UCIs shall be valued on the basis of their last available Net Asset Value as reported by such UCIs.
 - (6) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.
 - (7) 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.
 - (8) Any assets or liabilities in currencies other than the Fund Currency (as defined in Appendix III) will be converted using the relevant spot rate quoted by a bank or other recognised financial institution.
 - (9) The swaps are valued at their fair value based on the underlying securities (at close of business or intraday) as well as on the characteristics of the underlying commitments.
- (D) If on any Dealing Day the aggregate transactions in Shares of a Fund result in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Fund (relating to the cost of market dealing for that Fund), the Net Asset Value of the Fund will be adjusted by an amount (not exceeding 2% of that Net Asset Value) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the Fund invests. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease. Please see "Dilution" and "Dilution Adjustment" below for more details.

Dilution

The Funds are single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of their underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Fund. This is known as "dilution". In order to counter this and to protect Shareholders' interests, the Management Company will apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Management Company will make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

Dilution Adjustment

In the usual course of business the application of a dilution adjustment will be triggered mechanically and on a consistent basis.

The need to make a dilution adjustment will depend upon the net value of subscriptions, switches and redemptions received by a Fund for each Dealing Day. The Management Company therefore reserves the right to make a dilution adjustment where a Fund experiences a net cash movement which exceeds a threshold set by the Directors from time to time of the previous Dealing Day's total Net Asset Value.

The Management Company may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of existing Shareholders to do so.

General

The Directors are authorised to apply other appropriate valuation principles for the assets of the Funds and/or the assets of a given Share Class if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

Where a dilution adjustment is made, it will typically increase the Net Asset Value per Share when there are net inflows into the Fund and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in the Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share Class identically.

As dilution is related to the inflows and outflows of money from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Management Company will need to make such dilution adjustments.

Because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, which can vary with market conditions, this means that the amount of the dilution adjustment can vary over time but will not exceed 2% of the relevant Net Asset Value.

2.5 Suspensions or Deferrals

- (A) If the aggregate value of the redemption and switch instructions for any one Dealing Day corresponds to more than 5% of the net assets of a Fund, the Directors may defer part or all of such redemption and switch instructions, as they consider to be in the best interest of the Fund and its Shareholders, to the next Dealing Day and such deferred requests 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) during any period when the determination of the net asset value per share of and/or the redemptions in the underlying investment funds representing a material part of the assets of the relevant Fund is suspended; 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 or a Share Class is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Company or the relevant Fund or Share Class is proposed; 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

- (B) 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 of Shares 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 of Shares 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.

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 cause the Management Company to 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 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, although Claude Kremer does not receive any direct remuneration for service as a Director. However, he is a partner at Arendt & Medernach, the Principal Legal Adviser of the Company, which receives fees in that capacity.

The Company

The Company is responsible for the decision to appoint and remove any Investment Manager to the Funds which is not affiliated to Schroders. The Company is advised by both the Management Company and the Investment Adviser on the selection of the third party Investment Managers. The Company has appointed the Investment Adviser to give advice on the investment capabilities and credit worthiness of the third party Investment Managers. In addition, the Management Company will advise the Company on the operational capabilities of the third party Investment Managers. The Management Company can only enter into investment management agreements with an independent Investment Manager at the direction of the Company.

Management Company

The Directors have appointed Schroder Investment Management (Luxembourg) S.A. as the Company's management company to perform investment management, administration and marketing functions as described in Annex II of the 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 Brown Brothers Harriman (Luxembourg) S.C.A. and may delegate certain marketing functions to entities which form part of the Schroders group. The Management Company has also delegated certain management functions to the Investment Managers as more fully described above and below.

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 are accrued at each Calculation Day and included in the Net Asset Values of the Funds on the following Calculation Day at an annual rate of up to 0.3% by reference to the Net Asset Value of the relevant Fund and are paid monthly. These fees are subject from time to time to review 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 and fully paid up share capital of EUR 12,867,092.98. Schroder Investment Management (Luxembourg) S.A. is authorised as a management company under chapter 15 of the Law and, as such, provides collective portfolio management services to UCIs.

The Management Company has been appointed by three other Luxembourg domiciled Sociétés d'Investissement à Capital Variable: Schroder International Selection Fund, Schroder Alternative Solutions and Schroder Special Situations Fund and four mutual funds ("Fonds Commun de Placements"): Schroder Selection, Schroder SMBC Global Bond Series, Schroder Real Estate Fund of Funds and Schroder Investment Fund.

The directors of the Management Company are:

- Markus Ruetimann, Head of Operations and Information Technology, Schroder Investment Management Limited
- Noel Fessey, Managing Director, Schroder Investment Management (Luxembourg) S.A.
- Gary Janaway, Director of Operations, Schroder Investment Management (Luxembourg) S.A.
- Marco Zwick, Head of Compliance and Risk, Continental Europe and Middle East, Schroder Investment Management (Luxembourg) S.A.
- Finbarr Browne, Head of Finance, Schroder Investment Management (Luxembourg) S.A.
- Paul Duncombe, Senior Investment Solutions Manager, Schroder Investment Management Limited
- John Troiano, Global Head of Institutional Business, Schroder Investment Management Limited.

Investment Adviser

The Directors have appointed Schrodgers NewFinance Capital LLP as the Company's Investment Adviser. The Investment Adviser together with the Management Company advises the Company on the selection and appointment of third party Investment Managers. The Investment Adviser sources the third party Investment Managers and advises the Company on their investment capabilities and credit worthiness to enable the Company to assess an Investment Manager's suitability to manage a Fund. The Investment Adviser is affiliated to Schrodgers and is authorised and regulated by the Financial Conduct Authority. The Management Company will cause a fee to be paid by the relevant Fund to the Investment Adviser for its advisory services.

Investment Managers

Each of the Funds is managed by an independent investment manager with a particular expertise in managing funds with alternative strategies. Apart from Schroder Investment Management Limited and Schroder Investment Management (Switzerland) AG, which are part of the same Schroder group of companies as the Management Company and which may be appointed as Investment Manager from time to time, none of the Investment Managers are affiliated to or associates of the Management Company. They are completely independent from Schrodgers. The Management Company, at the direction of the Company, has appointed each Investment Manager based on the Investment Manager's experience and expertise in managing funds with alternative strategies but the Management Company, at the direction of the Company, may terminate each appointment immediately where it is in the best interest of Shareholders to do so.

The Investment Managers may on a discretionary basis enter into financial derivative contracts as well as acquire and dispose of securities of the Funds for which they have been appointed by the Management Company, 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 hereunder management fees by reference to the Net Asset Values of the Funds, as specified in Appendix III. Such fees are accrued at each Calculation Day and included in the Net Asset Values of the Funds on the following Calculation Day and paid monthly. The Investment Managers are also entitled to receive a performance fee as further described under the heading "Performance Fees".

In the performance of their duties, Investment Managers may seek, at their own expense, advice from investment advisers.

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.

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.

Custodian and Administration Agent

Brown Brothers Harriman (Luxembourg) S.C.A. ("BBH") has been appointed as Custodian and Administration Agent of the Company. BBH is a Société en Commandite par Actions organised under the laws of the Grand Duchy of Luxembourg. It was incorporated in Luxembourg on 9 February 1989 and its registered office is at 2-8 Avenue Charles de Gaulle, L-1653 Luxembourg. It is licensed to engage in all banking operations under the laws of the Grand Duchy of Luxembourg. BBH is a wholly owned subsidiary of Brown Brothers Harriman & Co. ("BBH & Co."). Founded in 1818, BBH & Co. is a commercial bank organised as a partnership under the private banking laws of the states of New York, Massachusetts and Pennsylvania.

All cash, securities and other assets constituting the assets of the Company shall be held under the control of the Custodian on behalf of the Company and its Shareholders. The Custodian shall ensure that the issue and redemption of Shares in the Company and the application of the Company's income are carried out in accordance with the provisions of the laws of the Grand Duchy of Luxembourg and the Articles, and the receipt of funds from transactions in the assets of the Company are received within the usual time limits.

The Custodian will receive from the Company such fees and commissions as are in accordance with usual practice in the Grand Duchy of Luxembourg as well as accounting fees covering the Company's accounting. The custody safe keeping services and transaction fees are accrued at each Calculation Day and included in the Net Asset Values of the Funds on the following Calculation Day and paid monthly. 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. The fee paid for this custody service varies depending upon the markets in which the assets of the Fund are invested in, and typically range from 0.01% of the Net Asset Value of the Fund in developed markets to 0.20% of the Net Asset Value of the Fund in emerging markets (excluding transaction charges and out of pocket expenses).

Fees relating to Fund accounting and valuation in the scope of BBH's capacity as Administration Agent are calculated and accrued daily (weekly and on the last Business Day in a month for the Fund Cat Bond) at an annual rate of up to 0.05% of the Net Asset Value of the Fund, subject to an annual minimum fee of USD 21,000 per Fund per annum, excluding charges for additional Share Classes and certain tax calculations.

Custody safekeeping and transaction fees, together with Fund accounting and valuation fees, may be subject to review by the Custodian and Administration Agent as well as by the Company from time to time. In addition, the Custodian and Administration Agent are entitled to any reasonable expenses properly incurred in carrying out its duties.

The amounts paid to the Custodian and Administration Agent 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, 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, if any, or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

In addition to standard banking and brokerage charges paid by the Company, Schroders' companies providing services to the Company may receive payment for these services.

The Company shall bear its incorporation expenses, including the costs of drawing up and printing the Prospectus, notary public fees, the filing and initial notification costs associated with seeking approval from supervisory, administrative and stock exchange authorities, the costs of printing Share certificates, if any, and any other costs pertaining to the setting up and launching of the Company.

These incorporation expenses, estimated at an amount equivalent to EUR 200,000, will be borne by the Company. These expenses may, at the discretion of the Management Company, be amortised on a straight line basis over 5 years from the date on which the Company commenced business over the assets of the Fund(s) (including any Funds launched on a future date not exceeding the amortisation period). The Management Company may, in its absolute discretion, shorten the period over which such costs and expenses are amortised.

3.2 Performance Fees

In consideration of the services provided by the respective Investment Managers in relation to the Funds, the former are entitled to receive a performance fee, in addition to management fees. Two models are used to calculate performance fees, as described below, and details of which model is being used for a particular Fund can be found in Appendix III. It should be noted that the performance fee is calculated prior to any dilution adjustments.

(A) Performance Fees – Using a hurdle or benchmark with a High Water Mark

The performance fee becomes due in the event of outperformance, that is if the increase in the Net Asset Value per Share during the relevant performance period exceeds the hurdle, or in the case of a performance fee based on outperformance over a benchmark, the increase in the relevant benchmark over the same period, in accordance with the high water mark principle, 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, if applicable, 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 same Fund, which therefore may become subject to different amounts of performance fee.

A Share Class' performance fee is accrued on each Business Day and included in the Net Asset Values of the Funds on the following Calculation Day, on the basis of the difference between the Net Asset Value per Share determined on the same Calculation Day (before deduction of any provision for the performance fee) and the hurdle, multiplied by the average number of Shares in issue over the financial year or in the case of a performance fee based on outperformance over a benchmark the higher of the Target Net Asset Value per Share (i.e. the hypothetical Net Asset Value per Share assuming a performance based on the benchmark until the Business Day) or the High Water Mark, multiplied by the average number of Shares in issue over the financial year.

On each Calculation Day, the accounting provision made on the immediately preceding Calculation Day is adjusted to reflect the Shares' performance, positive or negative, calculated as described above. If the Net Asset Value per Share on the Calculation Day is lower than the Target Net Asset Value or the High Water Mark, the provision made on such Calculation 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.

(B) Performance Fees – On absolute returns with a High Water Mark

The performance fee becomes due in the event of outperformance, that is if the Net Asset Value per Share during 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 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 and included in the Net Asset Values of the Funds on the following Calculation Day, on the basis of the difference between the Net Asset Value per Share on the Calculation 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 Calculation Day, the accounting provision made on the preceding Calculation Day is adjusted to reflect the Shares' performance, positive or negative, calculated as described above. If the Net Asset Value per Share on the Calculation Day is lower than the High Water Mark, the provision made on such Calculation 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.

(C) General

In either of the above two methodologies, if the Net Asset Value per Share is below the High Water Mark, the Investment Manager will not benefit from any performance fee

accruals including for Shares that are newly issued and which only experience positive performance. The Directors therefore reserve the right to immediately close the relevant Share Class for new subscriptions, although redemptions and switches out will continue to be allowed as usual. Shares in a new relevant Share Class will then become available for subscription with a High Water Mark set at the initial Net Asset Value per Share of that Class. This in effect will create series based performance fees. In order to differentiate between additional Share Classes in the same series, each additional Share Class will be designated in an alphabetical sequence, so for example a second issue of A Shares would become Aa Shares, and then Ab Shares, Ac Shares and so forth. At the end of each financial year in which a performance fee accrual becomes payable on certain Share Class series, the Directors reserve the right to consolidate these relevant Share Class series into a single series. If no performance fee accrual is payable, the High Water Mark remains unchanged.

At the time of issue of this Prospectus, the relevant Funds and Share Classes in relation to which a performance fee may be introduced are specified in the Fund Details in Appendix III, including details of any hurdle or benchmark used. For the avoidance of doubt, the benchmarks mentioned in Appendix III are solely used for performance fee calculation purposes, and they should therefore under no circumstances be considered as indicative of a specific investment style. In relation to currency hedged Share Classes, currency hedged versions of the relevant performance fee benchmark (including currency equivalent cash benchmarks) may be used for performance fee calculation purposes.

3.3 Company Information

- (A) The Company is an umbrella structured open-ended investment company with limited liability, organised as a "société anonyme" and qualifies as a SICAV under Part I of the Law. The Company was incorporated on 21 October 2009 and its Articles were published in the Mémorial on 12 November 2009. The Articles were amended most recently on 28 October 2011.

The Company is registered under Number B148818 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 general meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must be taken by the simple majority of the votes of the Shareholders present or represented at the meeting. Where the share capital falls below one quarter of the minimum capital, the Directors must convene an extraordinary general 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 votes cast of the Shares present or represented.

The Reference Currency of the Company is the EUR.

- (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., further to which the latter has been appointed Management Company
 - (2) Custodian Agreement between the Company and Brown Brothers Harriman (Luxembourg) S.C.A.
 - (3) Advisory Agreement between the Company and Schroders NewFinance Capital LLP.

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. In compliance with applicable laws and regulations, prior to their first subscription, Investors will be provided with the Key Investor Information Document ("KIID") for the Sub-Fund which they wish to

invest in. The KIIDs are available at the registered office of the Company and on the Internet at www.schroders.lu. The material contracts referred to above are available for inspection during normal business hours at the registered office of the Company.

Historical Performance of the Funds

Past performance information for each Fund in operation for more than one calendar year, is carried in that Fund's KIID, which is available from the registered office of the Company and on the Internet at www.schroders.lu. Past performance information is also available in the Fund fact sheets found on the Internet at www.schroders.lu and upon request from the registered office of the 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.

3.4 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 Share Class 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.

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.

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

3.5 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 in the Company 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 other dealing in the Company's Shares under the laws of their countries of citizenship, residence and domicile.

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 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 or Fund 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.

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

B) Shareholders

This summary is subject to future changes

Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in Luxembourg 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.

EU Tax Considerations for individuals resident in the EU or in certain third countries or dependent or associated territories

On 3 June 2003 the European Union ("EU") adopted Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Directive"). Under the Directive, member states of the EU ("Member States") in whose jurisdiction a paying agent (as defined in the Directive) pays interest or other similar income to an individual who is resident in another Member State for tax purposes must provide the tax authorities of that other Member State with detailed information about such payments. Austria and Luxembourg have, for a transitional period, the right not to do so provided that they must instead withhold tax on such payments. Switzerland, Monaco, Liechtenstein, Andorra, San Marino, the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

Luxembourg's law of 21 June 2005 (the "2005 Law") implemented the Directive.

Dividends distributed by any of the Company's Funds will be subject to the Directive and the 2005 Law if more than 15% of that Fund's assets are invested in debt claims (as defined in the 2005 Law). Proceeds realised by Shareholders on the redemption or sale of Shares in a Fund will be subject to the Directive and the 2005 Law if more than 25% of that Fund's assets are invested in debt claims.

The applicable withholding tax is at a rate of 35%.

Subject to the provisions of the immediately following paragraph, if a Luxembourg paying agent pays dividends or redemption proceeds directly to a Shareholder who is an individual resident for tax purposes in another Member State or certain of the above mentioned dependent or associated territories, such payment will be subject to withholding tax at the rate described above.

No tax will be withheld by a Luxembourg paying agent if the relevant individual either (i) expressly instructs the paying agent to report information to the tax authorities in accordance with the provisions of the 2005 Law or (ii) presents to the paying agent a certificate, which was drawn up in the format required by the 2005 Law by the competent authorities of his State of residence for tax purposes. Information on how to instruct the Company's Luxembourg paying agent to report information to the tax authorities of other Member States is available from the Company's registered office. Shareholders may instruct the paying agent to report such information at any time.

The Company reserves the right to reject any application for Shares if the information provided by the applicant does not satisfy the requirements of the 2005 Law.

The Company does not provide legal or tax advice and accepts no responsibility for its Shareholders' actions under the Directive or the 2005 Law. 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") provides 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 Classes of Shares in the Company are managed with a view to them qualifying as "reporting funds" for taxation purposes, and accordingly any capital gain on disposal of Shares in the Company 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 HMRC website www.hmrc.gov.uk/collective/cis-centre.htm#of.

Under the offshore fund rules, 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 Share Classes 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 3.4 above have been reinvested in further Shares by the Investment Manager 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.

Reportable income attributable to each Fund Share will be published no later than 10 months after the end of the reporting period on the following Schroders website: www.schroders.com/luxprof/our-funds/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 Fund Share 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".

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 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.

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.

3.6 Meetings and Reports

Meetings

In principle, the annual general meeting of Shareholders of the Company is held in Luxembourg on the last Tuesday of February in each year at 10:00 a.m. 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 in the Mémorial and in a Luxembourg newspaper(s) (if legally required) and in such other newspapers as the Directors may decide. Such notices will include the agenda and specify the place of the meeting. The legal requirements as to notice, quorum and voting at all general and Fund or Share Class meetings are included in the Articles. Meetings of Shareholders of any given Fund or Share Class shall decide upon matters relating to that Fund or Share Class only.

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.

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 and semi-annual financial reports may be obtained from the Internet site www.schroders.lu and are available free of charge from the registered office of the Company.

3.7 Details of Shares

Shareholder rights

- (A) 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.
- (B) 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.
- (C) 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 in appropriate form.

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.

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 if any economic or political situation would constitute a compelling reason therefore, or if required in the interest of the Shareholders of the relevant Fund, the Directors may decide to redeem all the Shares of that Fund or its liquidation. In any such event Shareholders will be notified by a redemption notice or liquidation notice published (or notified as the case may be) 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.

Under the same circumstances as described above, the Directors may also decide upon the reorganisation of any Fund by means of a division into two or more separate Funds in the Company or in another UCITS. Such decision will be published or notified in the same manner as described above and, in addition, the publication or notification will contain information in relation to the two or more separate Funds resulting from the reorganisation. Such publication or notification will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or switch of their Shares before the reorganisation becomes effective.

Any merger of a Fund with another Fund of the Company or with another UCITS (whether subject to Luxembourg law or not) or a merger of the Company with another UCITS as defined in the Law (or any fund thereof) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for the merger to the general meeting of Shareholders of the Fund concerned. In the latter case, no quorum is required for this general meeting and the decision for the merger is taken by a simple majority of the votes cast. Such a merger will be undertaken in accordance with the provisions of the Law.

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.

Appendix I

Investment Restrictions

The Directors have adopted the following restrictions relating to the investment of the Company's assets and its activities. These restrictions and policies may be amended from time to time by the Directors if and as they shall deem it to be in the best interests of the Company in which case this Prospectus will be updated.

As the Company is composed of more than one Fund, each Fund should be regarded as a separate UCITS for the purpose of this section.

1. Investment in Transferable Securities and Liquid Assets

- (A) The Company will invest in:
- (1) transferable securities and money market instruments admitted to or dealt in on a Regulated Market; and/or
 - (2) transferable securities and money market instruments dealt in on another market in a Member State of the EU which is regulated, operated regularly and is recognised and open to the public; and/or
 - (3) transferable securities and money market instruments added to official listing on a stock exchange in a non-Member State of the EU, which is regulated, operated regularly and is recognised and open to the public; and/or
 - (4) recently issued transferable securities and money market instruments, provided that
 - (I) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another Regulated Market which operates regularly, is recognised and open to the public and
 - (II) such admission is secured within one year of the issue; and/or
 - (5) units of UCITS and/or of other UCI, whether situated in an EU member state or not, provided that:
 - (I) such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured,
 - (II) the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
 - (III) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - (IV) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
 - (6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or
 - (7) financial derivative instruments, including equivalent cash-settled instruments, dealt on a Regulated Market, and/or financial derivative instruments dealt over-the-counter, provided that:
 - (I) the underlying consists of securities covered by this section 1(A), financial indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objective;
 - (II) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
 - (III) the OTC derivatives 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.
- and/or

- (8) money market instruments other than those dealt in on a Regulated Market, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting Investors and savings, and provided that such instruments are:
- (I) issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the EU or the European Investment Bank, a non-EU member state or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU member states belong, or
 - (II) issued by an undertaking any securities of which are dealt in on Regulated Markets, or
 - (III) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU Law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least stringent as those laid down by EU law, or
 - (IV) issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Fund in transferable securities or money market instruments other than those referred to in (A) (1) to (A) (4) and (A) (8) above¹.

- (B) Each Fund may hold ancillary liquid assets. Liquid assets used to back-up financial derivative exposure are not considered as ancillary liquid assets.
- (C)
- (1) Each Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same issuing body (and in case of credit-linked securities both the issuer of the credit-linked securities and the issuer of the underlying securities). Each Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(6) above or 5% of its net assets in other cases.
 - (2) Furthermore, where any Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Fund.
This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
Notwithstanding the individual limits laid down in paragraph (C)(1), a Fund may not combine:
 - investments in transferable securities or money market instruments issued by,
 - deposits made with, and/or
 - exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.
 - (3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State

¹ Funds launched prior to 23 November 2012 may interpret this provision differently and accordingly may continue to hold units of UCIs which do not meet the conditions set out under A (5) as part of this 10% limit. Any existing investments in UCIs not meeting the conditions set out under A (5) must be realised by 31 December 2013. Any new investments in these UCIs are no longer permitted.

or by public international bodies of which one or more EU member states are members.

- (4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of debt securities which are issued by credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If a Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Fund.

- (5) The transferable securities and money market instruments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or financial derivative instruments made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of each Fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with the Directive or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

A Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

Where any Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members, the Company may invest 100% of the Net Asset Value of any Fund in such securities provided that such Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Fund.

- (6) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of a Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided
- the composition of the index is sufficiently diversified,
 - the index represents an adequate benchmark for the market to which it refers,
 - it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

Subject to having due regard to the principle of risk spreading, a Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its authorisation.

(D)

- (1) The Company may not normally acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.
- (2) Each Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the money market instruments of the same issuing body, and/or (d) 25% of the units of a fund of the same UCITS or other UCI. However, the limits laid down in (b), (c) and (d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or

of the money market instruments or the net amount of securities in issue cannot be calculated.

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

- (1) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
 - (2) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
 - (3) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members; or
 - (4) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.
- (E) No Fund may invest more than 10% of its net assets in units of UCITS or other UCIs. In addition, the following limits shall apply:
- (1) If a Fund is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, this Fund may not invest more than 20% of its net assets in units of a single UCITS or other UCI.
Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net asset of a Fund.
 - (2) 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 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, the total management fee (excluding any performance fee, if any) charged to such Fund and each of the UCITS or other UCIs concerned shall not exceed 3.75% of the relevant net assets under management. 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.
 - (3) The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.
 - (4) The underlying investments held by the UCITS or other UCIs in which the Funds invest do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.
- (F) 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 of the Target Fund(s) whose acquisition is contemplated may be invested in aggregate 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).

2. Investment in Other Assets

- (A) The Company will not make investments in precious metals, commodities or certificates representing these. This does not prevent the Company from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities or financial instruments whose performance is linked to commodities.
- (B) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (C) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sections 1(A)(5), (7) and (8).
- (D) The Company may not borrow for the account of any Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (E) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (F) The Company will not underwrite or sub-underwrite securities of other issuers.
- (G) The Company will on a Fund by Fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

3. Financial Derivative Instruments

As specified in section 1(A)(7) above, the Company may in respect of each Fund invest in financial derivative instruments, including but not limited to those described in more detail below.

The Company shall ensure that the global exposure of each Fund relating to financial derivative instruments does not exceed the total net assets of that Fund. The Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section 2(D) above) so that it may not exceed 210% of any Fund's total net assets under any circumstances.

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following sub-paragraphs.

Each Fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in financial derivative instruments provided that the exposure to the underlying assets does not exceed the investment limits laid down in sections 1(C)(1) to (6). When a Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits laid down in section 1(C). When a transferable security or money market instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of these restrictions. When a Fund invests in diversified indices within the limits laid down in section 1(A)(7), the exposure to the individual indices will comply

with the limits laid down in section 1(C)(6). When a Fund invests in eligible non-diversified indices, the exposure to the individual indices will comply with the 5/10/40% ratios rules laid down in sections 1(C)(1) and (2). Transferable securities or money market instruments backed by other assets are not deemed to embed a financial derivative instrument.

The Funds may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the Regulations. Under no circumstances shall the use of these instruments and techniques cause a Fund to diverge from its investment policy or objective. The risks against which the Funds could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

Agreements on OTC Derivatives

A Fund may enter into agreements on OTC derivatives. The counterparties to any OTC financial derivative transactions, such as total return swaps or other financial derivative instruments with similar characteristics, entered into by a Fund, are selected from a list of authorised counterparties established with the Management Company. The counterparties will be first class institutions which are either credit institutions or investment firms, which are subject to prudential supervision. The list of authorised counterparties may be amended with the consent of the Management Company. The identity of the counterparties will be disclosed in the annual report of the Company.

Global Exposure

The global exposure will be calculated using either the commitment approach or Value-at-Risk (VaR) approach. This will be specified in Appendix III for each Fund.

Commitment Approach

Under the commitment approach, a Fund's financial derivative positions are converted into the market value of the equivalent position in the underlying asset; or the notional value or the price of the futures contract where they are more conservative. Netting and hedging rules may also be used. Under this approach, a Fund's global exposure is limited to 100% of its Net Asset Value .

VaR Approach

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

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

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

VaR limits are set using an absolute or relative approach.

Absolute VaR Approach

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

Relative VaR Approach

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

4. Use of Techniques and Instruments relating to Transferable Securities and Money Market Instruments

Techniques and instruments (including, but not limited to, securities lending or repurchase and reverse repurchase agreements) relating to transferable securities and money market instruments may be used by each Fund for the purpose of efficient portfolio management and where this is in the best interest of the Fund and in line with its investment objective and Investor risk profile.

To the extent permitted by and within the limits prescribed by the Regulations, each Fund may for the purpose of generating additional capital or income or for reducing its costs or risks, enter as purchaser or seller into optional or non-optional repurchase or reverse repurchase transactions and engage in securities lending transactions.

For the time being, the Funds will not enter into repurchase and reverse repurchase agreements nor engage in securities lending transactions. Should any Fund use such techniques and instruments in the future, the Company will comply with the applicable regulations and in particular CSSF circular 13/559 relating to ESMA guidelines on ETFs and other UCITS issues.

Securities Lending

Each Fund will only engage in securities lending transactions with first class institutions specialising in these types of transactions and which are subject to prudential supervision considered by the CSSF to be equivalent to that laid down in EU law.

Each Fund must ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered¹.

In respect of securities loans, the Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent. Such collateral shall comply with the requirements set out in section 5. "Management of Collateral" below.

Reverse Repurchase and Repurchase Agreements

Each Fund will only enter into reverse repurchase and repurchase agreements with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to that laid down in EU law.

A Fund that enters into a reverse repurchase agreement shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement¹.

A Fund that enters into a repurchase agreement shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered¹.

Fixed-term repurchase and reverse repurchase agreement that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund¹.

Each Fund shall ensure that the level of its exposure to repurchase and reverse repurchase agreements is such that it is able to comply at all times with its redemption obligations.

5. Management of Collateral

²

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits provided for in section 1(C) above.

Where a Fund enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

- (A) Any collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it

¹ Funds launched prior to 18 February 2013 (which currently apply CSSF Circular 08/356) will have to comply with this provision by 18 February 2014.

² Funds launched prior to 18 February 2013 (which currently apply CSSF Circular 08/356) will have to comply with this provision by 18 February 2014, except for rules applying to the reinvestment of cash collateral which apply as from 18 February 2013.

can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions in section 1(D) above.

- (B) Collateral received shall be valued in accordance with the rules described under the section "Calculation of Net Asset Value" on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- (C) Collateral received shall be of high quality.
- (D) The collateral received shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (E) Collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer.
- (F) Where there is a title transfer, the collateral received shall be held by the Custodian. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (G) Collateral received shall be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- (H) Non-cash collateral received shall not be sold, re-invested or pledged.
- (I) Cash collateral that isn't received on behalf of currency hedged Share Classes shall only be:
 - (1) placed on deposit with entities as prescribed in section 1(A)(6) above;
 - (2) invested in high-quality government bonds;
 - (3) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
 - (4) invested in short-term money market funds as defined in the "Guidelines on a Common Definition of European Money Market Funds".

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Collateral Policy

Collateral received by the Fund shall predominantly be limited to cash and government bonds.

Haircut Policy

The following haircuts for collateral in OTC transactions are applied by the Management Company (the Management Company reserves the right to vary this policy at any time):

Eligible Collateral	Remaining Maturity	Valuation Percentage
Cash	N/A	100%
Government Bonds	One year or under	98%
	More than one year up to and including five years	97%
	More than five years up to and including ten years	95%
	More than ten years up to and including thirty years	93%
	More than thirty years up to and including forty years	90%
	More than forty years up to and including fifty years	87%

6. Risk Management Process

The Company will employ a risk management process which enables it with the Investment Manager to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of each Fund. The Company or the Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of an Investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments. This supplementary information includes the VaR levels set for the Funds using such risk measure.

The risk management framework is available upon request from the Company's registered office.

7. Miscellaneous

- (A) The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraphs 1(A)(1), (2) and (3) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Company shall not be prevented from acquiring such securities above which are not fully paid.
- (B) The Company need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.
- (C) The Management Company, the Investment Managers, the Distributors, Custodian and any authorised agents or their associates may have dealings in the assets of the Company provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:
- (1) a certified valuation of such transaction is provided by a person approved by the Directors as independent and competent;
 - (2) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or
where neither (1) or (2) is practical;
 - (3) where the Directors are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

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 Fund Currency varies from the Investor's home currency, or where the Fund Currency 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, even if currency hedging is employed.

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. Business, Legal and Tax Risks

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Some of the Funds may be subject to withholding and other taxes. Tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from jurisdiction to jurisdiction and/or region to region. Any change in taxation legislation could affect the value of the investments held by and the performance of the Fund.

5. Risk Factors Relating to Industry Sectors / Geographic Areas

Funds that focus on a particular industry or geographic area are subject to the risk factors and market factors which affect this particular industry or geographic area, including legislative changes, changes in general economic conditions and increased competitive forces. This may result in a greater volatility of the Net Asset Value of the Shares of the relevant Fund. Additional risks may include greater social and political uncertainty and instability; and natural disasters.

6. 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").

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. Insurance Linked Securities Risk

Insurance linked securities may incur severe or full losses as a result of natural, man-made or other catastrophes. Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, explosions and marine accidents. The incidence and severity of such catastrophes are inherently unpredictable, and the Fund’s losses from such catastrophes could be material. Any climatic or other event which might result in an increase in the likelihood and/or severity of such events (for example, global warming leading to more frequent and violent hurricanes) could have a material adverse effect the relevant Fund. Although a Fund’s exposure to such events will be diversified in accordance with its investment objective, a single catastrophic event could affect multiple geographic zones and lines of business or the frequency or severity of catastrophic events could exceed expectations, either of which could have a material adverse effect on the Fund’s Net Asset Value.

18. 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.

19. 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, including swap agreements, with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivative transactions entered into with first class institutions should not exceed 10% of the relevant Fund's net assets when the counterparty is a credit institution or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limitations.

20. Custody Risk

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

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 Custodian will have no liability.

21. 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.

22. 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.

23. 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.

24. Property and Real Estate Companies Securities Risk

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

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

25. Mortgage Related and Other Asset Backed Securities Risks

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

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

The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Some mortgage-backed and asset backed investments receive only the interest portion or the principal portion of payments on the underlying assets. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying assets. Interest portions tend to decrease in value if interest rates decline and rates of repayment (including prepayment) on the underlying mortgages or assets increase; it is possible that a Fund may lose the entire amount of its investment in an interest portion due to a decrease in interest rates. Conversely, principal portions tend to decrease in value if interest rates rise and rates of repayment decrease. Moreover, the market for interest portions and principal portions may be volatile and limited, which may make them difficult for a Fund to buy or sell.

A Fund may gain investment exposure to mortgage-backed and asset-backed investments by entering into agreements with financial institutions to buy the investments at a fixed price 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.

26. 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.

27. 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.

28. 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 Custodian), other than by local regulation.

No certificates representing shareholdings in Russian companies will be held by the Custodian 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, 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 MICEX-RTS 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.

29. Specific Risks linked to Securities Lending and Repurchase Transactions

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

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

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

In the event that a Fund reinvests cash collateral in one or more of the permitted types of investment that are described under Appendix I Investment Restrictions "5. Management of Collateral", there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict a Fund's ability to recover its securities on loan, which might restrict a Fund's ability to complete the sale of securities or to meet redemption requests.

30. 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.

Employees of Schroders may have personal investment in a fund or account, including in the Company, managed by the Investment Managers which they may add to or redeem from, in whole or in part from time to time depending on their own requirements. The Investment Managers or Schroders may have invested directly or indirectly in the Company.

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. However, the Investment Managers or Schroders, as the case may be, have a duty to ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict of interests had not existed.

The prospect of the Performance Fee may lead the Investment Managers to make investments that are riskier than would otherwise be the case.

31. Investment Funds

Some of the Funds may invest all or substantially all of their assets in Investment Funds. Unless otherwise disclosed, the investment risks identified in this Appendix will apply whether a Fund invests directly, or indirectly through Investment Funds, in the assets concerned.

The investments of the Funds in Investment Funds may result in an increase of total operating, administration, custodian, management and performance fees/expenses. However the Investment Managers will seek to negotiate a reduction in management fees and any such reduction will be for the sole benefit of the relevant Fund.

32. Exchange Rates

The Reference Currency of each Fund is not necessarily the investment currency of the Fund concerned. Investments are made in investment funds in currencies that, in the view of the Investment Managers, best benefit the performance of the Funds.

Shareholders investing in a Fund having a Reference Currency that is different from their own should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

33. Fixed Income Securities

The value of fixed income securities held by Funds generally will vary upon changes in interest rates and such variation may affect Share prices of Funds investing in fixed income securities.

34. Equity Securities

Where a Fund invests in equity or equity-related investments, the values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

35. Private Equity

Investments which grant an exposure to private equity involve additional risks than those resulting from traditional investments. More specifically, private equity investments may imply exposure to less mature and less liquid companies. The value of financial instruments which grant exposure to private equity may be impacted in a similar manner as direct investments in private equity.

36. Commodities

Investments which grant an exposure to commodities involve additional risks than those resulting from traditional investments. More specifically:

- political, military and natural events may influence the production and trading of commodities and, as a consequence, negatively influence financial instruments which grant exposure to commodities;
- terrorism and other criminal activities may have an influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities.

37. Impact of Fund of Funds Strategies on Tax Efficiency for Shareholders

Post-tax returns to Shareholders are dependent on the local tax rules in the Shareholders' place of tax residence (see section 3.5 Taxation for comments on taxation generally).

In certain countries, such as Germany, Austria and the United Kingdom, tax rules exist that may lead to larger proportions of the investment return from funds of funds being taxed in the hands of Shareholders at a higher rate than would be the case for single strategy funds.

These tax rules may be activated if the investments selected by the Investment Manager for the funds of funds are regarded as not meeting certain tests laid down by the tax authorities in the Shareholders' country of residence.

If the fund of funds acquires investments which do not qualify as "white funds" or "reporting funds" for German investment tax purposes, German tax resident Shareholders of the fund of funds will be subject to disadvantageous "lump sum" taxation pro rata with the income derived from such "black funds" or "non-reporting" funds.

In the United Kingdom, returns from investments that are "non-reporting funds" are treated as being entirely income, and reportable as income by the fund of funds. Thus a greater proportion of the Shareholder's return from the fund of funds is treated as income, rather than capital, and is taxed accordingly at rates that are currently higher than for capital gains.

The Investment Manager of the fund of funds will endeavour to select investments that do qualify as "white funds" and "reporting funds", in order to minimise the impact of these local tax rules for Shareholders. However, it is possible that such investments are not available to meet certain strategic aims of the Investment Manager, and in that case it may happen that "black funds" or "non-reporting funds" have to be acquired.

The Investment Manager will undertake all necessary reporting as required under local tax rules to enable Shareholders to compute their tax liability in accordance with the rules.

38. Business Dependent Upon Key Individuals

The success of a Fund is significantly dependent upon the expertise of the principals of its Investment Manager and any future unavailability of their services could have an adverse impact on the Fund's performance.

Appendix III

Fund Details

The Company is designed to give Investors the flexibility to choose between investment portfolios with differing investment objectives and levels of risk.

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.

Expected level of leverage:

- Funds quantifying global exposure using a Value-at-Risk (VaR) approach disclose their expected level of leverage.
- The expected level of leverage is an indicator and not a regulatory limit. The Fund's levels of leverage may be higher than this expected level as long as the Fund remains in line with its risk profile and complies with its VaR limit.
- The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.
- The level of leverage is a measure of (i) the derivative usage and (ii) the reinvestment of collateral in relation to efficient portfolio management transactions. It does not take into account other physical assets directly held in the portfolio of the relevant Funds. It also does not represent the level of potential capital losses that a Fund may incur.

The level of leverage is measured as (i) the sum of notionals of all financial derivative contracts entered into by the Fund expressed as a percentage of the Fund's Net Asset Value and (ii) any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

This methodology 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.
- take into account the derivative underlying assets' volatility or make a distinction between short-dated & long-dated assets. As a result, a Fund that exhibits a high level of leverage is not necessarily riskier than a Fund that exhibits a low level of leverage.

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, and this Prospectus will be updated accordingly.

These Share Classes, where available, may also be offered in other currencies (the "Reference Currency"). Where offered in a currency other than the base currency of the Fund (the "Fund Currency"), a Share Class will be designated as such.

In respect of such additional Share Classes, the Management Company has the ability to hedge the Shares of such Share Classes in relation to the Fund Currency. Where hedging of this kind is undertaken, the Management Company may engage, for the exclusive account of such Share Class, in currency forward, currency futures, currency option transactions and currency swaps in order to preserve the value of the Reference Currency against the Fund Currency.

The performance of hedged share classes aims to be similar to the performance of equivalent Share Classes in Fund 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 per Share 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 Fund 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 Fund Currency relative to the Reference Currency, but it may also preclude Investors from benefiting from an increase in the value of the Fund Currency.

In addition the Investment Manager may hedge the Reference Currency against the currencies in which the underlying assets of the Fund are denominated, using the instruments mentioned above.

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

The details of each Fund are listed below.

Words and expressions defined in the Prospectus will, unless otherwise defined in this Appendix (under the specific description of each Fund), have the same meaning when used in this Appendix.

Category 1 – Externally Managed Funds

Schroder GAIA Avoca Credit

Investment Objective

The Fund aims to provide capital growth.

Investment Policy

The Fund will seek long and short exposure in credit markets using debt instruments, other fixed and floating rate securities, as well as cash, deposits, money market instruments, convertibles and Investment Funds investing in such instruments. The full spectrum of available securities, including non-investment grade, may be used, and all investments can be made directly or indirectly through financial derivative instruments. It will focus on Europe, although it has the flexibility to invest globally including emerging markets.

Financial derivative instruments will be actively used for hedging and investment purposes, to gain exposure to credit markets and to manage interest rate and currency risks. These include OTC and/or exchange traded options, futures, contracts for difference, warrants, swaps (including credit default swap indices), forward contracts, credit linked notes and/or a combination of the above. The Fund may have synthetic short positions and may be net long or net short when long and short positions are combined.

The Fund may, at times for defensive purposes, hold 100% in cash, deposits and money market instruments.

The Fund will not invest more than 10% into open ended Investment Funds.

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.

Global Risk Exposure

The Fund employs the absolute Value-at-Risk (VaR) approach to measure its market risk.

Expected level of leverage

400% of the total net assets.

The level of leverage may be higher when interest rates are expected to change or when credit spreads are expected to widen or tighten.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Avoca Capital Management LLP
Dealing Cut-off Time ¹	13.00 Luxembourg time three Business Days preceding a Dealing Day
Dealing Frequency / Dealing Day	Weekly, on each Wednesday or the next Business Day if a Wednesday is not a Business Day ¹ and on the last Business Day in a month
Calculation Day	Each Business Day. Net Asset Values are calculated for the previous Business Day.
Availability of Net Asset Value	The Net Asset Value will be available on each Calculation Day. Shareholders' attention is drawn to the fact that subscription, redemption and switch orders will only be handled on the basis of Net Asset Values calculated for Dealing Days. Net Asset Values calculated for non-Dealing Days are made available for reporting and fee purposes only.
Settlement Period of Subscription and Redemption Proceeds ²	Within 3 Business Days from the relevant Dealing Day

¹ Instructions accepted by the Management Company after the Dealing Cut-off Time for a Dealing Day will normally be executed on the next following Dealing Day, unless waived by the Management Company and provided that Shareholders are treated equally.

² Different subscription and redemption procedures may apply if applications are made through Distributors.

Specific Risk Considerations ³	The use of financial derivative instruments for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor. Index and bond total return swaps may increase or decrease the exposure to credit-related risks.			
Profile of the Typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.			
Share Classes	A	C	G ⁴	I
Minimum Initial Subscription	EUR 10,000	EUR 500,000	EUR 500,000	EUR 5,000,000
Minimum Additional Subscription	EUR 5,000	EUR 250,000	EUR 250,000	EUR 2,500,000
Minimum Holding	EUR 10,000	EUR 500,000	EUR 500,000	EUR 5,000,000
Initial Charge ⁵	Up to 3%	Up to 1%	Up to 1%	None
Investment Management Fee ⁶	2.00%	1.25%	1.25%	None
Distribution Fee ⁶	None	None	None	None
Performance Fee	Yes	Yes	Yes	None
	15% of the absolute outperformance subject to a high water mark as defined in section 3.2.(B)			

³ For full details of the risks applicable to investing in this Fund, please refer to Appendix II, "Risks of Investment".

⁴ This Share Class is not available through Schroders' global network of distributors. For any questions in this regard, please enquire with the Management Company.

⁵ Percentages are stated with reference to the total subscription amount, which represents for A Shares 3.09% and C and G Shares 1.01% of the Net Asset Value per Share.

⁶ Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

Schroder GAIA CQS Credit

Investment Objective

The Fund aims to provide capital growth.

Investment Policy

The Fund will seek long and/or short credit exposures in global credit markets using transferable securities and derivatives, including, but not limited to, credit default and total return swaps, referencing individual corporate issuers, credit indices and/or sovereign issuers.

The credit quality of the target credit exposures may range from investment grade to non-investment grade and unrated.

The Fund will generally aim to manage interest rate risk by using, for instance, interest rate swaps and futures.

The Fund manages the cash by either making deposits with credit institutions or investments into sovereign money market instruments and/or bonds as appropriate. These investments may represent up to 100% of the Fund's net assets.

The Fund will not invest more than 10% into open ended Investment Funds. 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. There can be no assurance that the Fund will achieve its investment objective.

Global Risk Exposure

The Fund employs the absolute Value-at-Risk (VaR) approach to measure its market risk.

Expected level of leverage

250% of the total net assets.

The level of leverage may be higher when interest rates are expected to change or when credit spreads are expected to widen or tighten.

Fund Characteristics

Fund Currency	EUR
Investment Manager	CQS Asset Management Limited
Dealing Cut-off Time ¹	13.00 Luxembourg time three Business Days preceding a Dealing Day
Dealing Frequency / Dealing Day	Weekly, on each Wednesday or the next Business Day if a Wednesday is not a Business Day ¹ and on the last Business Day in a month
Calculation Day	Each Business Day. Net Asset Values are calculated for the previous Business Day.
Availability of Net Asset Value	The Net Asset Value will be available on each Calculation Day. Shareholders' attention is drawn to the fact that subscription, redemption and switch orders will only be handled on the basis of Net Asset Values calculated for Dealing Days. Net Asset Values calculated for non-Dealing Days are made available for reporting and fee purposes only.
Settlement Period of Subscription and Redemption Proceeds ²	Within 3 Business Days from the relevant Dealing Day
Specific Risk Considerations ³	The use of financial derivative instruments for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor.
Profile of the Typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

¹ Instructions accepted by the Management Company after the Dealing Cut-off Time for a Dealing Day will normally be executed on the next following Dealing Day, unless waived by the Management Company and provided that Shareholders are treated equally.

² Different subscription and redemption procedures may apply if applications are made through Distributors.

³ For full details of the risks applicable to investing in this Fund, please refer to Appendix II, "Risks of Investment".

Share Classes	A	A1	C	I	S	Z
Minimum Initial Subscription	EUR 10,000	EUR 50,000	EUR 500,000	EUR 5,000,000	EUR 10,000	EUR 500,000
Minimum Additional Subscription	EUR 5,000	EUR 25,000	EUR 250,000	EUR 2,500,000	EUR 5,000	EUR 250,000
Minimum Holding	EUR 10,000	EUR 50,000	EUR 500,000	EUR 5,000,000	EUR 10,000	EUR 500,000
Initial Charge ⁴	Up to 3%	Up to 2%	Up to 1%	None	None	Up to 1%
Investment Management Fee ⁵	2.00%	2.00%	1.50%	None	Up to 1.50%	1.00%
Distribution Fee ⁵	None	0.50%	None	None	None	None
Performance Fee	Yes	Yes	Yes	None	None	Yes
	20% (15% for Z Shares only) of the outperformance over BBA Libor EUR 3 Month Act 360 subject to a High Water Mark as defined in section 3.2.(A).					

⁴ Percentages are stated with reference to the total subscription amount, which represents for A Share 3.09%, A1 Share 2.04%, and C and Z Shares 1.01% of the Net Asset Value per Share.

⁵ Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

Schroder GAIA Egerton Equity

Investment Objective

To provide capital growth through direct investment, or indirectly through the use of financial derivative instruments and Investment Funds, in equity and equity related securities globally including emerging markets.

Investment Policy

In order to achieve the objective the Investment Manager will invest in a select portfolio of assets, which it believes offer the best potential for future growth.

The Fund may invest up to 10% of its assets in open ended Investment Funds. The Fund may also, as an ancillary matter, invest in non-equity related Investment Funds, fixed interest securities, and liquidities. At times where it is considered appropriate, prudent levels of liquidities will be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund assets. The Fund may be exposed to currencies other than the Euro.

The Fund may also have synthetic short positions but will normally be net long when long and short positions are combined. A significant proportion of the Fund's long positions will be sufficiently liquid to cover at all times the Fund's obligations arising from its short positions.

The Fund may employ financial derivative instruments for hedging and investment purposes. Financial derivative instruments can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include but are not limited to OTC and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.

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.)

Global Risk Exposure

The Fund employs the relative Value-at-Risk (VaR) approach to measure its market risk.

Expected Level of Leverage

150% of the total net assets

The level of leverage may be higher when volatility decreases sustainably or when bearish markets are expected.

VaR Benchmark

The reference portfolio is the Fund's unleveraged portfolio including the financial derivative instruments to gain the short exposure.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Egerton Capital (UK) LLP
Dealing Cut-off Time ¹	13.00 Luxembourg time three Business Days preceding a Dealing Day
Dealing Frequency / Dealing Day	Weekly, on each Wednesday or the next Business Day if a Wednesday is not a Business Day ¹ and on the last Business Day in a month
Calculation Day	Each Business Day. Net Asset Values are calculated for the previous Business Day.

¹ Instructions accepted by the Management Company after the Dealing Cut-off Time for a Dealing Day will normally be executed on the next following Dealing Day, unless waived by the Management Company and provided that Shareholders are treated equally.

Availability of Net Asset Value	The Net Asset Value will be available on each Calculation Day. Shareholders' attention is drawn to the fact that subscription, redemption and switch orders will only be handled on the basis of Net Asset Values calculated for Dealing Days. Net Asset Values calculated for non-Dealing Days are made available for reporting and fee purposes only.				
Settlement Period of Subscription and Redemption Proceeds ²	Within 3 Business Days from the relevant Dealing Day				
Specific Risk Considerations ³	The use of financial derivative instruments for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor.				
Profile of the Typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.				
Share Classes	A	A1	C	E ⁴	I
Minimum Initial Subscription	EUR 10,000	EUR 50,000	EUR 500,000	EUR 500,000	EUR 5,000,000
Minimum Additional Subscription	EUR 5,000	EUR 25,000	EUR 250,000	EUR 250,000	EUR 2,500,000
Minimum Holding	EUR 10,000	EUR 50,000	EUR 500,000	EUR 500,000	EUR 5,000,000
Initial Charge ⁵	Up to 3%	Up to 2%	Up to 1%	Up to 1%	None
Investment Management Fee ⁶	2.00%	2.00%	1.25%	1.25%	None
Distribution Fee ⁶	None	0.50%	None	None	None
Performance Fee	Yes	Yes	Yes	Yes	None
	20% of the outperformance over EONIA + 1.00% subject to a High Water Mark as defined in section 3.2(A).				

² Different subscription and redemption procedures may apply if applications are made through Distributors.

³ For full details of the risks applicable to investing in this Fund, please refer to Appendix II, "Risks of Investment".

⁴ This Share Class is not available through Schroders' global network of distributors. For any questions in this regard, please enquire with the Management Company.

⁵ Percentages are stated with reference to the total subscription amount, which represents for A Share 3.09%, A1 Share 2.04, and C and E Shares 1.01% of the Net Asset Value per Share.

⁶ Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

Schroder GAIA Sirius US Equity

Investment Objective

The Fund aims to provide capital growth.

Investment Policy

The Fund may take long and short positions in a select portfolio of equity and equity related securities which it believes offers the best potential for future returns. It will focus on the US although it has the flexibility to invest globally.

The Fund may also invest in other securities and other financial instruments including fixed income securities and convertible bonds. The Fund may hold cash, deposits and money market instruments. All investments can be made directly or indirectly through the use of financial derivative instruments.

The Fund may employ financial derivative instruments for hedging and investment purposes. Financial derivative instruments can be used to create market exposures through equity, currency or index related financial derivative instruments and include OTC and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts, credit linked notes and/or a combination of the above. The Fund may have synthetic short positions and may be net long or net short when long and short positions are combined.

At times where it is considered appropriate, prudent levels of liquidities will be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund's assets.

The Fund will not invest more than 10% into open ended Investment Funds.

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.

Global Risk Exposure

The Fund employs the commitment approach to measure its market risk.

Fund Characteristics

Fund Currency	USD
Investment Manager	Sirios Capital Management L.P.
Dealing Cut-off Time ¹	13.00 Luxembourg time three Business Days preceding a Dealing Day
Dealing Frequency / Dealing Day	Weekly, on each Wednesday or the next Business Day if a Wednesday is not a Business Day ¹ and on the last Business Day in a month
Calculation Day	Each Business Day. Net Asset Values are calculated for the previous Business Day
Availability of Net Asset Value	The Net Asset Value will be available on each Calculation Day. Shareholders' attention is drawn to the fact that subscription, redemption and switch orders will only be handled on the basis of Net Asset Values calculated for Dealing Days. Net Asset Values calculated for non-Dealing Days are made available for reporting and fee purposes only.
Settlement Period of Subscription and Redemption Proceeds ²	Within 3 Business Days from the relevant Dealing Day
Specific Risk Considerations ³	The use of financial derivative instruments for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor.
Profile of the Typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.
Share Classes	A C E I

¹ Instructions accepted by the Management Company after the Dealing Cut-off Time for a Dealing Day will normally be executed on the next following Dealing Day, unless waived by the Management Company and provided that Shareholders are treated equally.

² Different subscription and redemption procedures may apply if applications are made through Distributors.

³ For full details of the risks applicable to investing in this Fund, please refer to Appendix II, "Risks of Investment".

Minimum Initial Subscription	USD 10,000	USD 500,000	USD 500,000	USD 5,000,000
Minimum Additional Subscription	USD 5,000	USD 250,000	USD 250,000	USD 2,500,000
Minimum Holding	USD 10,000	USD 500,000	USD 500,000	USD 5,000,000
Initial Charge ⁴	Up to 3%	Up to 1%	Up to 1%	None
Investment Management Fee ⁵	2.00%	1.50%	1.00%	None
Distribution Fee ⁵	None	None	None	None
Performance Fee	Yes	Yes	Yes	None
	20% (15% for E Share Class) of the outperformance over BBA Libor USD 3 Month Act 360 subject to a High Water Mark as defined in section 3.2(A).			

⁴ Percentages are stated with reference to the total subscription amount, which represents for A Share 3.09%, and C and E Shares 1.01% of the Net Asset Value per Share.

⁵ Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

Category 2 – Internally Managed Funds

Schroder GAIA Cat Bond

Investment Objective

The Fund aims to provide a total return.

Investment Policy

The Fund will invest globally in a diversified portfolio providing exposure to insurance risks. These include insurance-linked securities and financial derivative instruments that are exposed to catastrophe risks denominated in various currencies. The Fund may hold cash, deposits and money market instruments. The Fund will not invest in instruments linked to life settlements.

The Fund may employ financial derivative instruments for hedging and investment purposes. These include OTC and/or exchange traded options, futures, swaps and/or a combination of the above.

The Fund will not invest more than 10% into open ended Investment Funds.

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.

Further information

The Fund will only invest in financial derivative instruments which are compliant with article 41 (1) (g) of the Law.

The Fund will only invest in insurance-linked securities which qualify as transferable securities within the meaning of article 41 (1) of the Law and article 2 of the Grand Ducal Regulation dated 8 February 2008 relating to certain definitions of the Law. To the extent permitted, the invested insurance-linked securities may also qualify as transferable securities within the meaning of article 41 (2) of the Law.

The insurance-linked securities invested by the Fund will not embed a derivative instrument.

Global Risk Exposure

The Fund employs the commitment approach to measure its market risk.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Switzerland) AG
Dealing Cut-off Time ¹	Subscription: 13.00 Luxembourg time 3 Business Days preceding a Dealing Day Redemption: 13.00 Luxembourg time 7 Business Days preceding a Dealing Day
Dealing Frequency / Dealing Day	Fortnightly, on the 2nd and 4th Friday in a month (or the next Business Day if the Friday is not a Business Day) and on the last Business Day in a month
Calculation Day	Weekly on each Friday and the last Business Day in a month
Availability of Net Asset Value	NAV is available 1 Business Day after each Calculation Day. Dealing orders are only handled based on NAV calculated for a Dealing Day; NAV calculated on non-Dealing Days are only for reporting and fee purposes.
Settlement Period of Subscription and Redemption Proceeds ²	Subscription: Within 3 Business Days from the relevant Dealing Day Redemption: Within 3 Business Days from the relevant Dealing Day

¹ Instructions accepted by the Management Company after the Dealing Cut-off Time for a Dealing Day will normally be executed on the next following Dealing Day, unless waived by the Management Company and provided that Shareholders are treated equally.

² Different subscription and redemption procedures may apply if applications are made through Distributors.

Specific Risk Considerations ³	<p>Although the Fund aims to diversify this risk, an insurance linked security may incur severe or full losses as a result of the occurrence of a catastrophe.</p> <p>The use of financial derivative instruments for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor.</p> <p>Index and bond total return swaps may increase or decrease the exposure to insurance-related risks.</p>		
Profile of the Typical Investor	<p>The Fund may be suitable for Investors who have a medium to longer term investment horizon and who are seeking diversification by investing in an asset class whose performance is not linked to other financial assets. In addition, the Investor has a risk tolerance high enough to absorb potential losses invested following the occurrence of extreme insurance disasters.</p>		
Share Classes	F	IF	I
Minimum Initial Subscription	USD 100,000	USD 1,000,000	USD 5,000,000
Minimum Additional Subscription	USD 50,000	USD 500,000	USD 2,500,000
Minimum Holding	USD 100,000	USD 1,000,000	USD 5,000,000
Initial Charge ⁴	Up to 1%	None	None
Investment Management Fee ⁵	1.50%	1.10%	None
Distribution Fee	None	None	None

³ For full details of the risks applicable to investing in this Fund, please refer to Appendix II, "Risks of Investment".

⁴ Percentages are stated with reference to the total subscription amount, which represents for F Share 1.01% of the Net Asset Value per Share.

⁵ Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

Schroder GAIA Global Macro Bond

Investment Objective

The Fund aims to provide a total return.

Investment Policy

The Fund will implement a set of strategies using financial derivative instruments, debt instruments, other fixed and floating rate securities as well as cash, deposits, money market instruments, convertibles and Investment Funds investing in such instruments.

Financial derivative instruments will actively be used to take long or short exposures to credit markets, interest rates, foreign exchange and volatility contracts and to various sectors within these markets.

Debt instruments and other fixed and floating rate securities may be denominated in various currencies, issued by governments, government agencies, supra-national or corporate issuers worldwide and may include non-investment grade instruments.

The Fund may also invest in asset-backed and mortgage-backed securities, which will not exceed 20% of the net assets of the Fund.

The Fund may, at times for defensive purposes, hold 100% of its assets in liquidities (cash, deposits and money market instruments).

The Fund will not invest more than 10% into open ended Investment Funds.

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.

Global Risk Exposure

The Fund employs the absolute Value-at-Risk (VaR) approach to measure its market risk.

Expected Level of Leverage

1,000% of the total net assets

In order to implement an efficiently diversified set of strategies (such as country, yield curve, credit and currency strategies) and to achieve the risk target that is consistent with the Fund's risk profile, the Fund will rely intensively on financial derivative instruments that may generate a high level of leverage and the Fund may experience higher volatility than a fixed income fund that does not use leverage.

Although the Fund uses derivatives for investment purposes, which can increase the Fund's level of risk, it also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation, and this can contribute to reducing the Fund's level of risk.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as short-dated interest rate contracts. Also, derivatives used within the long and short strategies may generate a high level of gross leverage but a reduced level of net leverage.

The expected level of leverage may increase when volatility decreases sustainably, or the conviction of the fund manager increases with expected changes in interest or credit spreads.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time ¹	13.00 Luxembourg time one Business Day preceding a Dealing Day
Dealing Frequency / Dealing Day	Daily

¹ Instructions accepted by the Management Company after the Dealing Cut-off Time for a Dealing Day will normally be executed on the next following Dealing Day, unless waived by the Management Company and provided that Shareholders are treated equally.

Calculation Day	Each Business Day. Net Asset Values are calculated for the previous Business Day.		
Availability of Net Asset Value	The Net Asset Value will be available on each Calculation Day.		
Settlement Period of Subscription and Redemption Proceeds ²	Within 3 Business Days from the relevant Dealing Day		
Specific Risk Considerations ³	The use of financial derivative instruments for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor.		
Profile of the Typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.		
Share Classes	C	E	I
Minimum Initial Subscription	USD 500,000	USD 500,000	USD 5,000,000
Minimum Additional Subscription	USD 250,000	USD 250,000	USD 2,500,000
Minimum Holding	USD 500,000	USD 500,000	USD 5,000,000
Initial Charge ⁴	Up to 1%	Up to 1%	None
Investment Management Fee ⁵	1.00%	0.50%	None
Distribution Fee ⁵	None	None	None
Performance Fee	Yes	Yes	None
	20% (15% for E Share Class) of the outperformance over BBA Libor USD 3 Month Act 360 subject to a High Water Mark as defined in section 3.2(A).		

² Different subscription and redemption procedures may apply if applications are made through Distributors.

³ For full details of the risks applicable to investing in this Fund, please refer to Appendix II, "Risks of Investment".

⁴ Percentages are stated with reference to the total subscription amount, which represents for C and E Shares 1.01% of the Net Asset Value per Share.

⁵ Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

Schroder GAIA QEP Global Absolute

Investment Objective

To provide capital growth.

Absolute return means the Fund seeks to provide a positive return over a 12 month period in all market conditions, but this cannot be guaranteed.

Investment Policy

In order to achieve the objective, the Investment Manager will invest primarily in undervalued companies worldwide, selected through the application of analytical techniques. Investments will be made through direct investment in equity and equity related securities, or indirectly through the use of financial derivative instruments.

To maximise the return, the Investment Manager may seek to take synthetic long and short positions through the use of cash settled financial derivative instruments (up to a maximum of 200% long and 200% short of the Net Asset Value of the Fund).

At times where it is considered appropriate, prudent levels of liquidities will be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund assets.

The Fund may invest up to 10% of its assets in open ended Investment Funds.

The Fund may employ financial derivative instruments for hedging and investment purposes. Financial derivative instruments may include options, forwards, futures, warrants, contracts for difference, total return swaps and currency forwards.)

Global Risk Exposure

The Fund employs the absolute Value-at-Risk (VaR) approach to measure its market risk.

Expected Level of Leverage

200% of the total net assets

The level of leverage may be higher when volatility decreases sustainably or when bearish markets are expected.

Fund Characteristics

Fund Currency	USD			
Investment Manager	Schroder Investment Management Limited			
Dealing Cut-off Time ¹	13.00 Luxembourg time one Business Day preceding a Dealing Day			
Dealing Frequency / Dealing Day	Daily			
Calculation Day	Each Business Day. Net Asset Values are calculated for the previous Business Day.			
Availability of Net Asset Value	The Net Asset Value will be available on each Calculation Day.			
Settlement Period of Subscription and Redemption Proceeds ²	Within 3 Business Days from the relevant Dealing Day			
Specific Risk Considerations ³	The use of financial derivative instruments for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor.			
Profile of the Typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.			
Share Classes	A	A1	C	I
Minimum Initial Subscription	USD 10,000	USD 50,000	USD 500,000	USD 5,000,000
Minimum Additional Subscription	USD 5,000	USD 25,000	USD 250,000	USD 2,500,000
Minimum Holding	USD 10,000	USD 50,000	USD 500,000	USD 5,000,000

¹ Instructions accepted by the Management Company after the Dealing Cut-off Time for a Dealing Day will normally be executed on the next following Dealing Day, unless waived by the Management Company and provided that Shareholders are treated equally.

² Different subscription and redemption procedures may apply if applications are made through Distributors.

³ For full details of the risks applicable to investing in this Fund, please refer to Appendix II, "Risks of Investment".

Initial Charge ⁴	Up to 3%	Up to 2%	Up to 1%	None
Investment Management Fee ⁵	1.75%	1.75%	1.00%	None
Distribution Fee ⁵	None	0.50%	None	None
Performance Fee	Yes	Yes	Yes	None
	20% of the outperformance over BBA Libor USD 3 Month Act 360 subject to a High Water Mark as defined in section 3.2(A).			

⁴ Percentages are stated with reference to the total subscription amount, which represents for A Share 3.09%, A1 Share 2.04% and C Share 1.01% of the Net Asset Value per Share.

⁵ Percentages are stated with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

Schroder GAIA QEP Global Value Extension*

Investment Objective

To provide capital growth primarily by investing, directly or through the use of financial derivative instruments, in equity and equity related securities of companies worldwide.

Investment Policy

In order to achieve the objective, the Investment Manager will invest directly in undervalued equity and equity related securities of companies worldwide selected through the application of analytical techniques.

To maximise the return, the Investment Manager may seek to add additional synthetic long positions (up to a maximum of 50% of the Net Asset Value of the Fund) on undervalued equities worldwide through the use of cash settled financial derivative instruments. Similarly, the Investment Manager will take synthetic short positions (up to a maximum of 50% of the Net Asset Value of the Fund) on overvalued equities worldwide through the use of cash settled financial derivative instruments.

The Fund's long position will be sufficiently liquid to cover at all times the Fund's obligations arising from its short positions.

The Fund may invest up to 10% of its assets in open ended Investment Funds. The Fund may employ financial derivative instruments for hedging and investment purposes in accordance with its risk profile as disclosed below. Financial derivative instruments may include, but are not limited to options, forwards, futures, warrants, contracts for difference and total return swaps.

Global Risk Exposure

The Fund employs the relative Value-at-Risk (VaR) approach to measure its market risk.

Expected Level of Leverage

100% of the total net assets

The level of leverage may be higher when volatility decreases sustainably or when bearish markets are expected.

VaR Benchmark

MSCI World (NDR) – This index measures the equity market performance of developed countries.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time ¹	13.00 Luxembourg time one Business Day preceding a Dealing Day
Dealing Frequency / Dealing Day	Daily
Calculation Day	Each Business Day. Net Asset Values are calculated for the previous Business Day.
Availability of Net Asset Value	The Net Asset Value will be available on each Calculation Day.
Settlement Period of Subscription and Redemption Proceeds ²	Within 3 Business Days from the relevant Dealing Day
Specific Risk Considerations ³	The use of financial derivative instruments for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor.
Profile of the Typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

¹ Instructions accepted by the Management Company after the Dealing Cut-off Time for a Dealing Day will normally be executed on the next following Dealing Day, unless waived by the Management Company and provided that Shareholders are treated equally.

² Different subscription and redemption procedures may apply if applications are made through Distributors.

³ For full details of the risks applicable to investing in this Fund, please refer to Appendix II, "Risks of Investment".

Share Classes	A	A1	C	I
Minimum Initial Subscription	USD 10,000	USD 50,000	USD 500,000	USD 5,000,000
Minimum Additional Subscription	USD 5,000	USD 25,000	USD 250,000	USD 2,500,000
Minimum Holding	USD 10,000	USD 50,000	USD 500,000	USD 5,000,000
Initial Charge ⁴	Up to 3%	Up to 2%	Up to 1%	None
Investment Management Fee ⁵	1.50%	1.50%	1.00%	None
Distribution Fee ⁵	None	0.50%	None	None
Performance Fee	Yes	Yes	Yes	None
	15% of the outperformance over MSCI World (NDR) subject to a High Water Mark as defined in section 3.2(A).			

⁴ Percentages are stated with reference to the total subscription amount, which represents for A Share 3.09%, A1 Share 2.04% and C Share 1.01% of the Net Asset Value per Share.

⁵ Percentages are stated with reference to the Net Asset Value of the Fund 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 and is also available on the Internet site www.schroders.lu.
- (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.

Schroder Investment Management (Luxembourg) S.A.

5, rue Höhenhof

L-1736 Senningerberg

Grand Duchy of Luxembourg

Tel.: (+352) 341 342 212

Fax: (+352) 341 342 342