

Schroders Supplementary Information Document

May 2012

Schroders are required to provide you with important information to help you decide whether our Unit Trust Funds are right for you.

You should read this document carefully in addition to the Key Investor Information Document so that you understand what you are buying, and then keep it for future reference.



Schroders

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Available information

Thank you for your interest in Schroders range of unit trust funds. You have been provided with three different documents; the relevant Key Investor Information Document/s (KIID) for the fund or funds that you have expressed an interest in, an application form and this document, which we have called the Supplementary Information Document (SID). All of these documents should be read carefully prior to making any investment decisions and advice should be sought if you are unclear about any of the contents. While the KIID provides information specific to the relevant funds, the purpose of the SID is to provide a summary of important information regarding; dealing in the funds, the associated tax implications, the right to complain, the right to cancel (where applicable) and further details on the range of funds available.

For full details of the funds, please refer to the Funds Prospectus. The Prospectus is available on request, free of charge, by contacting Schroders on 0800 718 777*. Alternatively, with the exception of Schroder All Maturities Corporate Bond Fund, Schroder QEP Global Active Value Fund and Schroders QEP Global Core Fund, the Prospectus can be viewed at Schroders.co.uk/literature. The Prospectus (as amended from time to time) sets out the terms and conditions of your proposed investment. The investment will be governed by English Law.

If you require further information, or you would like to learn more about the unit trusts, please contact your financial adviser, or Schroders on 0800 718 777*. Please note that at Schroders we can only provide you with information on our funds and are not able to advise you as to what fund is most suitable for you. For advice you should contact your financial adviser. If you do not have a financial adviser you can find one at schroders.co.uk/unbiased.

Schroders range of funds

The Funds

The funds are collective, open-ended investment schemes, denominated in sterling. They are structured as unit trusts and are authorised in the UK by the Financial Services Authority.

Its Aims

A unit trust is a type of fund which allows you to gain exposure to a selection of different underlying shares or securities. Each fund has a specific aim which determines the types of shares or securities in which it invests. These are detailed on each Key Investor Information Document.

Your Commitment

To invest in a Schroders Unit Trust you will need a lump sum investment of at least £1,000. If you wish to top up your investment you can do so with any amount over £500. Alternatively, you can invest £50 a month. You can start and stop investing whenever you like by informing us in writing.

If your holding falls below the minimum holding (£1,000) then Schroders reserves the right to redeem the units on your behalf.

There is no minimum term that you must hold your investments for, although you should note that if you sell your units shortly after purchasing them you are likely to make a loss on your initial capital due to the difference between the buying and selling price.

If you invest in unit trusts you should be aware that there are risks involved. For fund specific risks please refer to the individual fund Key Investor Information Document.

Unit Trust ISA investments

What is an ISA?

An ISA is a tax efficient wrapper in which you can place either cash or stocks and shares. By using an ISA, investment can be made in a cash component (maximum £5,640) or a stocks and shares component (maximum £11,280) or a combination of these (maximum £11,280).

The Schroders Unit Trust ISA

The Schroders ISA allows you to invest up to £11,280 in a stocks and shares component (Schroders does not offer a cash ISA).

Investing in Schroders funds

How do I invest?

Unit Trust

Complete and return a Unit Trust Application Form, available via our website www.schroders.co.uk/applicationforms or by calling 0800 718 777. Alternatively telephone 0800 718 788 to make an investment. If you are making an investment via an Independent Financial Adviser, the relevant Unit Trust Application Form can be obtained from them.

Unit Trust ISA

Complete and return an ISA Application Form, available via our website www.schroders.co.uk/applicationforms or by calling 0800 718 777. If you are making an investment via an Independent Financial Adviser, the relevant ISA Application Form can be obtained from them.

Who do I make the cheque payable to?

You should make your cheque payable to Schroder Investments Limited (Unit Trust ISA) or Schroder Unit Trusts Limited (Unit Trust).

When will my direct debit be collected?

Your direct debit will be collected on or around the 10th of each month. ISA direct debits will automatically rollover into the next tax year unless you notify us differently.

When will my Unit Trust/Unit Trust ISA be opened?

The price of units is calculated at a set valuation point on each business day (details of which are available from Schroders). We will invest your money on the day we receive your application if it is before the valuation point of the fund, or otherwise on the following working day.

How will my units be registered?

All unit trust investments are registered in your name. All ISA investments are held jointly in the names of yourself and Schroders.

What price will I get when I place my Unit Trust/Unit Trust ISA deal?

Dealing will be carried out on a forward basis. This means the price at which you buy units will not be available when you place your deal. Your contract note will show the price at which you have bought your units. The price of units is calculated at a set valuation point on each business day. Details of valuation points are available from Schroders or your financial adviser. If you place your deal after the valuation point, the price you receive will be the price valued on the following business day. All cash received will, pending investment, be credited to a non-interest bearing client money account.

Will I have cancellation rights?

If you have received advice from an authorised financial adviser, you are entitled to a 'cancellation' period of 14 days, from the receipt of your notice of cancellation rights. During this time, if you change your mind, simply complete and return the cancellation form (which will be sent to you with your confirmation letter). We will sell the investments made on your behalf and send you the proceeds including a refund of any initial charges, less any fall in the unit price. If you have invested in a Unit Trust ISA and change your mind during the cancellation period, you will be able to open another ISA of the same type in the same tax year. However, if you change your mind after 14 days, you will have to sell your ISA and will not be allowed to open another stocks and shares ISA in the same tax year.

What documentation will I receive?

Shortly after you invest you will receive a confirmation letter and contract note and if applicable a name slip which should be returned as instructed. It will show the price and date at which you have bought your units. We do not issue unit certificates so we suggest that you retain the contract note. A statement will be sent twice a year as at 5 April and 5 October. You will also receive a Short Manager's Report twice a year giving current details of investments and a commentary from the fund manager. The Long Manager's Report is available to view at schroders.co.uk/literature or may be requested by contacting Investor Services on 0800 718 777*.

How and when will I receive my income?

There are two types of units available – income units and accumulation units. If you choose accumulation units the income generated from your investment is not paid directly to you, but is paid into the fund and increases the value of the units. Any repayments of tax received are re-invested to buy additional units on your account. If you choose to invest in income units any income (including repayments of tax received) will be paid into your bank account by Direct Credit. Income arising in respect of income units will be paid out monthly, quarterly, half yearly or annually depending on the distribution frequency of the relevant fund.

What are my tax liabilities?

Unit Trust

Investors who are UK tax resident and are basic rate (and starting rate for savers) tax payers will have no further liability to income tax. Higher rate tax payers will be liable at 32.5% on the gross amount of the dividend payment with credit being given for the 10% tax credit. Additional rate taxpayers will be liable at 42.5% on the gross amount of the dividend payment with credit being given for the 10% tax credit.

When you sell your investment any profit may give rise to a Capital Gains Tax liability. Gains will be tax free if they fall within your individual annual exemption limit, taking into account any other disposals made during the relevant tax year.

Investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to seek professional advice.

What are the current tax advantages?

Unit Trust ISA

Any income you receive, or is accumulated, will not be liable to further income tax, irrespective of your tax status. Income tax suffered on interest distributions/ accumulations will be reclaimed by Schroders on your behalf. When you eventually come to sell your investment, there will be no chargeable gain or allowable loss arising in respect of Capital Gains Tax.

What do I have to tell HM Revenue and Customs?

Nothing – you do not have to declare your ISAs in your tax return.

Can I invest in an ISA if I am living abroad?

You cannot open an ISA whilst living or working abroad unless you are a Crown Employee or the spouse of, or in a civil partnership with a Crown Employee working abroad. You can invest in one before you go, but you cannot make any further contributions to it whilst you are living abroad.

Can I add to my Unit Trust/Unit Trust ISA?

Yes. Please complete a Unit Trust/ISA Top-up Form, available via our website schroders.co.uk/applicationforms or for a printed copy, call Investor Services on 0800 718 777*. If you are investing via an Independent Financial Adviser, please contact them directly to obtain the relevant Unit Trust/ISA Top-up form. Send the completed form, with your cheque made payable to Schroder Unit Trusts Limited (Unit Trust) or Schroder Investments Limited (Unit Trust ISA). Please remember, if adding to your Unit Trust ISA you cannot exceed your £11,280 annual contribution limit. Alternatively telephone 0800 718 788* to invest over the telephone (Unit Trusts only).

Can I switch between funds once my Unit Trust/Unit Trust ISA is open?

Yes. Please complete a Unit Trust/ISA Investment Amendment Form, available via our website schroders.co.uk/applicationforms or for a printed copy, call Investor Services on 0800 718 788*. If you are investing via an Independent Financial Adviser, please contact them directly to obtain the relevant Unit Trust/ISA Investment Amendment Form. Alternatively telephone 0800 718 788* to instruct a switch over the telephone (Unit Trusts only). The relevant unit price shall be determined by reference to the next valuation point following receipt of your instruction. The units will be sold at the relevant unit price and new units will be bought at no initial charge. Please note that a charge will be incurred if your agent takes commission in relation to the switch transaction.

Do I have to keep my Unit Trust/Unit Trust ISA for a minimum length of time?

No, you can sell all or part of your investment whenever you like. If you do want to sell part or all of your investment, simply write and let us know. Alternatively telephone 0800 718 788* (Unit Trusts only). Remember, it is the contributions into your ISA which count towards the annual limit (£11,280). Once you have withdrawn cash from your ISA you will be unable to put it back in the same tax year.

How do I sell my Unit Trust/Unit Trust ISA and how quickly will I get my proceeds?

You can instruct Schroders or your financial adviser to sell units in writing, by signed fax, or by telephone (Unit Trusts only). We will sell your holdings on the day of receipt of your instructions, provided they are received before the fund's next valuation point. We will then send a cheque for the proceeds to you by the close of business four working days later, provided we have received your signed confirmation. If (after you have sold your units) you have less than the minimum investment of £1,000 we may sell all your remaining units on your behalf. Sales of units will take place at the next dealing price determined at the valuation point following the receipt by Schroders of instructions from you.

Can I transfer my ISA investments between different managers?

If you have taken out an ISA in the current tax year, the rules require you to transfer out your entire ISA holding for that tax year.

Because Schroders previously merged unit trust ISAs from different tax years, it will not always be possible for us to transfer your precise investments from a specific tax year. For transfer purposes, Schroders calculates your current tax year's ISA holding as the total of all your contributions over the current tax year. This may mean that if the value of your current year's ISA is lower than the sum of your current year's contributions, we may have to transfer investments from a previous year's ISA to make up the difference. However if you hold ISAs from previous tax years, you can indicate how much of your accrued ISA investments you wish to transfer.

To make such a transfer, please complete an ISA Transfer Application Form, available via schroders.co.uk/applicationforms, or for a printed copy, call Investor Services on 0800 718 777. If you are investing via an Independent Financial Adviser, please contact them directly to obtain the relevant ISA Transfer Form.

Additional information for investors in Schroders Multi-Manager Funds and Schroder Global Property Securities Fund

Can I make a regular withdrawal?

For Schroder Multi-Manager Cautious Managed Fund, Schroder Multi-Manager Strategic Balanced Fund and Schroder Global Property Securities Fund you can select to make a regular withdrawal. This can be paid out monthly, quarterly or half-yearly.

The minimum withdrawal amount is £30 per month and the maximum withdrawal amount is 7.5% of the value of your investment annually. There is a minimum initial investment of £5,000 required for this facility. Please note the Regular Withdrawal Facility is only available on Accumulation units.

If you choose to withdraw a regular fixed percentage of your investment, any lump sum withdrawal or switch may result in a reduction in the amount you would receive for your regular withdrawals, regardless of any increase in the value of your investment.

Please note that if you choose to make regular withdrawals and these exceed the return generated by the portfolio, part of your withdrawal amount may be drawn from your original investment. In order to generate the regular withdrawals, we will be selling units from your account.

Once the withdrawal facility is set up, it may continue until your investment is zero, or the facility is cancelled. Please note that we do not monitor the withdrawal amount on an on-going basis. The onus is on you to ensure that you wish to continue with the facility or cancel it.

Additional information

How are the funds taxed?

As the funds are authorised unit trusts, they are exempt from UK tax on capital gains realised on profits made on the investments held within the funds. Certain funds may invest in offshore funds which, in certain circumstances, may give rise to gains which are categorised as income rather than capital gains for UK tax purposes and so are chargeable to corporation tax.

Dividends from UK companies (and any part of dividend distributions from authorised unit trusts and open-ended investment companies, which represent those dividends) are exempt from the charge to corporation tax. Dividends received from overseas companies after 1 July 2009 are exempt from the charge to corporation tax. Funds may opt out of this exemption where it would result in the loss of tax treaty benefits and a higher rate of foreign tax being suffered by these dividends. All of our unit trusts that are affected by this have opted out. Such dividends will then be liable to UK corporation tax, but any foreign tax suffered will normally be deductible. The funds will each be subject to corporation tax at 20% on other types of income but after deducting allowable management expenses and the gross amount of interest distributions, where relevant.

SDRT – what is it and who pays it?

HM Treasury regulations require a maximum 0.5% Stamp Duty Reserve Tax (SDRT) charge to be made on the value of units redeemed by Schroders and on certain other transfers of units. The trustee of the unit trust has the liability to pay the SDRT to HM Revenue and Customs.

Schroders' chosen policy on SDRT is to recover the cost of SDRT directly as a charge on the property of the funds and Schroders considers that this policy will not have a significant effect on performance. However in the case of redemptions of £100,000 or more in value, Schroders reserves the right to charge SDRT to unitholders at the time of dealing. The frequency of application of this policy being implemented on individual large deals has been low in the past but is dependant on the pattern of dealing in individual funds. As stated above, this will have the effect of reducing the proceeds payable by up to a maximum of 0.5%. This will not affect redemptions with a value of less than £100,000.

How will investors be taxed?

Income and capital gains received by the investor are taxed according to the individual investor's tax status and residence. Investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to seek professional advice.

Who is the unit trust manager?

Schroder Unit Trusts Limited, 31 Gresham Street, London EC2V 7QA. Schroder Unit Trusts Limited is authorised and regulated by the Financial Services Authority and is entered on the FSA register under register number 197288. The principal business of the manager is the management and administration of collective investment schemes.

Who is the plan manager of my ISA?

The ISA manager is Schroder Investments Limited, 31 Gresham Street, London EC2V 7QA. Schroder Investments Limited is authorised and regulated by the Financial Services Authority and is entered on the FSA register under register number 122305. The principal business of the plan manager is the provision of ISA administration services and marketing of unit trusts.

Who are the trustees?

JP Morgan Trustee and Depositary Company Limited, Chaseside, Bournemouth BH7 7DA.

Who is the administrator?

International Financial Data Services (UK) Limited administers your investment on behalf of Schroder Investments Limited and Schroder Unit Trusts Limited.

What is the administration address?

Schroders, PO Box 1102, Chelmsford CM99 2XX.

Who are the auditors?

PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT.

Who is the Competent Authority?

The funds are authorised by the Financial Services Authority, 25 The North Colonnade, Canary Wharf E14 5HS. Telephone number: +44(0)20 7066 1000.

General Information

What is my best source of information about my ISA or Unit Trust?

Please contact Schroders or your financial adviser for the Unit Trust Fund Prospectus, Short and Long Reports and Fund Fact Sheets (these are available free of charge). All other information about Schroders funds is available on request from Schroders at the following address: Schroders, Investor Services, PO Box 1102, Chelmsford CM99 2XX. Telephone number: 0800 718 777*.

Where can I find the latest prices and yields for my fund?

The dealing prices of the unit trusts and the latest income yield can be found in the unit trust prices section of the Financial Times newspaper. Prices can also be found on the internet at: schroders.co.uk/prices.

How much will any advice cost?

We only provide you with information about Schroders products and will not offer any advice based on individual circumstances.

If you are in doubt as to whether a product is suitable for you, you should consult a financial adviser. In some cases they will receive commission from Schroders. Such commission may be paid in relation to initial investments or switch instructions. In relation to initial investments this is taken from our charges and the amount will depend on the size of your investments and the period over which you make or retain them. Your adviser will give you details of the amount

of commission they will receive as a result of your investment. Where commission is not paid, you may have to pay a fee to your adviser.

Please note a charge will be incurred if your agent takes commission in relation to a switch transaction.

Who can I complain to if I am not satisfied with the service I receive?

You can write to the Head of Investor Services, Schroders, PO Box 1102, Chelmsford CM99 2XX.

You can also request a copy of Schroders written internal complaints procedures by writing to the above address or contacting Investor Services on 0800 718 777*.

If Schroders fails to resolve your complaint satisfactorily you also have the right to refer the complaint to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

What happens if Schroders is unable to meet its liabilities?

In the event of Schroders being unable to meet its liabilities, you may be entitled to compensation under the Financial Services Compensation Scheme. Currently, the maximum level of compensation you can receive from the Scheme for a claim against an investment firm is 100% of the first £50,000 per person. For further information on the scheme you can contact the Financial Services Authority or the Financial Services Compensation Scheme or visit fscs.org.uk

What happens if Schroders is unable to contact me?

If a client fails to make contact with Schroders for a period of six years, Schroders reserves the right to retain the proceeds of any individual cash balances that remain unclaimed. We will make all reasonable attempts to contact the client including writing to them at their last known address and ensuring that there have been no further transactions on their account during this time. Please note that if at any time the client resumes contact with Schroders, Schroders will repay all amounts owing.

European Savings Directive

Schroders is required by the European Union Savings Directive to report payments made by certain funds to investors living in other EU member states to HM Revenue and Customs. In general this requirement applies only to bond funds and our Multi-Manager range of funds.

Data Protection Act

For the purposes of the Data Protection Act 1998, the data controller in relation to any personal data you supply is Schroder Unit Trusts Limited. Information you supply may be processed for the purposes of investment administration by any company within the Schroders group, by third parties who provide services to Schroder Investments Limited or Schroder Unit Trusts Limited and by your financial adviser, and such processing may include the transfer of data out of the European Economic Area. You hereby consent to the processing of your personal data by Schroders and the persons listed above for such purposes. We will not keep your information for longer than is necessary and will take steps to ensure that it is kept up to date. You have a right under the Data Protection Act 1998 to ask what information we hold about you. You can do this by writing to Head of Investor Services, Schroders, PO Box 1102, Chelmsford CM99 2XX. *For your security, phone calls to Schroders may be recorded. w41574

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