

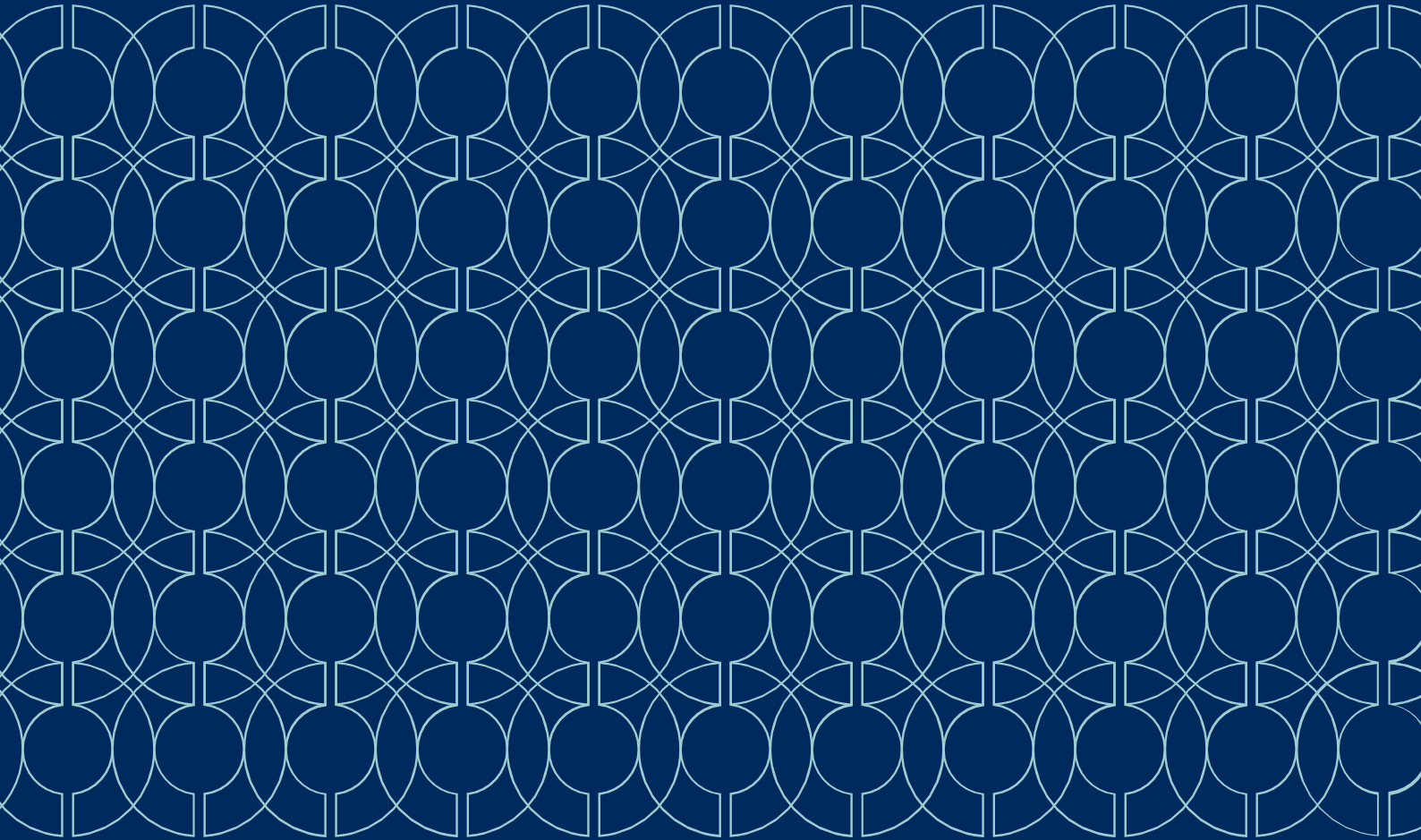
**Schroders**

**Schroder Multi-Asset  
Revolution**

**Prospectus**

**Dated: 15 June 2023**

**Valid till: 14 June 2024**



# **SCHRODER MULTI-ASSET REVOLUTION**

## **PROSPECTUS**

## **SCHRODER MULTI-ASSET REVOLUTION**

### **Directory**

#### **Managers**

Schroder Investment Management (Singapore) Ltd  
(Company Registration Number: 199201080H)

Registered and operating address:

138 Market Street #23-01

CapitaGreen

Singapore 048946

#### **Directors of the Managers**

Wong Yoke Lin Martina

Chong Siok Chian Grace

Diao Wei Chien Roy

Lily Choh Chaw Lee

Paul Bernard Sidebottom

Durack Christopher James

#### **Trustee**

HSBC Institutional Trust Services (Singapore) Limited

10 Marina Boulevard

Marina Bay Financial Centre

Tower 2, #48-01

Singapore 018983

(Company Registration Number: 194900022R)

#### **Auditors**

KPMG LLP

12 Marina View, #15-01

Asia Square Tower 2

Singapore 018961

#### **Solicitors to the Managers**

Allen & Gledhill LLP

One Marina Boulevard #28-00

Singapore 018989

#### **Solicitors to the Trustee**

Shook Lin & Bok LLP

1 Robinson Road #18-00

AIA Tower

Singapore 048542

## SCHRODER MULTI-ASSET REVOLUTION

### Important Information

Schroder Investment Management (Singapore) Ltd (the “**Managers**”), the managers of the Schroder Multi-Asset Revolution (the “**Trust**”), accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief, this Prospectus contains all information with respect to the Trust which is material in the context of the offer of units in the Trust (“**Units**”) in this Prospectus and the statements contained in this Prospectus are in every material respect true and accurate and not misleading and there are no facts the omission of which would make any statement herein misleading in any material respect.

You, as the investor, should refer to the relevant provisions of the trust deed (as may be amended, supplemented or modified from time to time) (the “**Deed**”) relating to the Trust and obtain professional advice if there is any doubt or ambiguity relating thereto. You may inspect a copy of the Deed at the Managers’ office at all times during usual business hours (subject to such reasonable restrictions as the Managers may impose).

The Trust invests directly and indirectly in multiple asset classes and is an actively managed basket of equities, fixed income, property and commodities related securities. The Managers presently intend to invest into various sub-funds of the Schroder International Selection Fund, SICAV (“**Schroder ISF**”) and other collective investment schemes and exchange traded funds. The Schroder ISF is organised as a “société anonyme” and qualifies as a Société d’Investissement à Capital Variable (“**SICAV**”) under Part I of the Luxembourg law on undertakings for collective investment dated 17 December 2010. **As at the date of registration of this Prospectus, the Schroder ISF sub-funds may invest in financial derivatives for purposes other than hedging and/or efficient portfolio management in accordance with the Schroder ISF’s Luxembourg prospectus and applicable laws in Luxembourg.** Please refer to paragraph 9.3 of this Prospectus for more information.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units as contemplated herein. All capitalised terms and expressions used in this Prospectus shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed relating to the Trust. **To reflect material changes, this Prospectus may be updated, amended, supplemented or replaced from time to time and you should investigate whether any more recent Prospectus is available.**

Before investing, you should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange transactions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of Units and should inform yourself of and observe all such laws and regulations that may be applicable to you. You should carefully consider the risks of investing in the Trust as set out in paragraph 9 of this Prospectus.

No application has been made for the Units to be listed on any stock exchange. There is no secondary market for the Trust. You can purchase or sell Units from or through the Managers or any agent or distributor appointed by the Managers in accordance with the provisions of the Deed.

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

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

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

“**United States**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

You should also refer to paragraph 21.3 of this Prospectus for information on the US tax reporting obligations under FATCA (as defined in paragraph 21.3 of this Prospectus).

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

The Units are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

You should direct all enquiries relating to the Trust to the Managers, Schroder Investment Management (Singapore) Ltd, or any agent or distributor appointed by the Managers.

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## SCHRODER MULTI-ASSET REVOLUTION

*The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act 2001 of Singapore (the “SFA”). A copy of this Prospectus has been lodged with, and where applicable registered by, the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of the prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the collective investment scheme.*

### 1. BASIC INFORMATION

**1.1 Name of fund** : SCHRODER MULTI-ASSET REVOLUTION  
(the “Trust”)

The Trust is an authorised scheme constituted in Singapore.

### 1.2 Date of registration and expiry date of Prospectus

The date of registration of this Prospectus with the Authority is 15 June 2023. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 14 June 2024) and shall expire on 15 June 2024.

### 1.3 Trust Deed and Supplemental Deeds

The original Trust Deed, the Supplemental Deeds and the Amended and Restated Deeds (the original Trust Deed as modified by the Supplemental Deeds and the Amended and Restated Deeds is hereinafter referred to as the “Deed”), entered into between Schroder Investment Management (Singapore) Ltd (the “Managers”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”) are as follows:-

<u>Document</u>	<u>Date of document</u>
Trust Deed	5 February 1998
1 <sup>st</sup> Supplemental Deed	23 March 1998
2 <sup>nd</sup> Supplemental Deed	12 November 1998
3 <sup>rd</sup> Supplemental Deed	30 March 1999
4 <sup>th</sup> Supplemental Deed	26 March 2001
5 <sup>th</sup> Supplemental Deed	21 December 2001
6 <sup>th</sup> Supplemental Deed	20 December 2002
1 <sup>st</sup> Amended and Restated Deed	1 July 2003
2 <sup>nd</sup> Amended and Restated Deed	27 August 2004
3 <sup>rd</sup> Amended and Restated Deed	7 July 2006
4 <sup>th</sup> Amended and Restated Deed	30 August 2006

5 <sup>th</sup> Amended and Restated Deed	30 August 2007
6 <sup>th</sup> Amended and Restated Deed	31 July 2009
7 <sup>th</sup> Amended and Restated Deed	29 April 2010
8 <sup>th</sup> Amended and Restated Deed	30 July 2010
9 <sup>th</sup> Amended and Restated Deed	29 July 2011
10 <sup>th</sup> Amended and Restated Deed	22 September 2011
First Supplemental Deed	19 January 2012
11 <sup>th</sup> Amended and Restated Deed	21 May 2012
12 <sup>th</sup> Amended and Restated Deed	26 June 2013
13 <sup>th</sup> Amended and Restated Deed	25 June 2014
14 <sup>th</sup> Amended and Restated Deed	20 June 2018
15 <sup>th</sup> Amended and Restated Deed	27 August 2018
16 <sup>th</sup> Amended and Restated Deed	28 August 2020
17 <sup>th</sup> Amended and Restated Deed	17 June 2021
18 <sup>th</sup> Amended and Restated Deed	16 June 2022
19 <sup>th</sup> Amended and Restated Deed	15 June 2023

The terms and conditions of the Deed shall be binding on each Holder and all persons claiming through such Holder as if such Holder had been a party to the Deed.

You may inspect a copy of the Deed at the Managers' registered office during usual business hours (subject to such reasonable restrictions as the Managers may impose) at 138 Market Street, #23-01, CapitaGreen, Singapore 048946. The Managers may impose a fee of up to S\$25 for each copy of the Deed requested.

#### **1.4 Reports and Accounts**

You may obtain copies of the latest annual and semi-annual Accounts, auditor's report on the annual Accounts and annual and semi-annual reports relating to the Trust at the Managers' registered office at 138 Market Street, #23-01, CapitaGreen, Singapore 048946. Please refer to paragraph 19 of this Prospectus for details of the accounts and reports of the Trust.

## **2. THE MANAGERS**

### **2.1 Name and address of the Managers**

The Managers of the Trust are Schroder Investment Management (Singapore) Ltd, whose registered office is at 138 Market Street, #23-01, CapitaGreen, Singapore 048946.



## 2.2 Managers' track records

The Managers were incorporated in Singapore in 1992 and have been managing collective investment schemes and discretionary funds in Singapore since 1992. The Managers are licensed and regulated by the Authority.

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

- 2.3 The Managers shall be subject to removal by the Trustee if the Managers go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in respect of any of their assets. Subject to section 295 of the SFA, the Trust may be terminated by the Trustee if the Trustee removes the Managers pursuant to the above and cannot find another manager within three months of removal.

Please refer to the Deed for further information on the role and responsibilities of the Managers and what happens if they become insolvent.

## 2.4 Underlying Funds managers'/sub-managers' track records

Schroder Investment Management Limited ("**SIML**") is domiciled in the United Kingdom and has been managing funds since 1985. SIML is licensed and regulated by the Financial Conduct Authority.

Schroder Investment Management North America Inc. ("**SIMNA**") may from time to time delegate certain of its duties in relation to sub-management of the relevant underlying fund to one or more other Schroders group companies. SIMNA is domiciled in the United States of America and has been managing funds since 1999. SIMNA is regulated by the United States Securities and Exchange Commission.

The Trust may from time to time invest 30% or more of its NAV into one or more corresponding Schroder ISF sub-funds and/or other collective investment schemes and exchange traded funds stated below.

<b>Name of the underlying fund into which the Trust invests</b>	<b>Manager / investment manager of the underlying fund</b>	<b>Sub-Manager of the underlying fund</b>
Schroder Asian Investment Grade Credit (a sub-fund of the Schroder International Opportunities Portfolio)	Schroder Investment Management (Singapore) Ltd	N.A.
Schroder Global Quality Bond (a sub-fund of the Schroder International Opportunities Portfolio)	Schroder Investment Management (Singapore) Ltd	SIML

		(who has in turn delegated certain of its duties in relation to sub-management of the Schroder Global Quality Bond to SIMNA)
Schroder Singapore Fixed Income Fund	Schroder Investment Management (Singapore) Ltd	N.A.
Schroder International Selection Fund QEP Global Core	SIML	N.A.
Schroder International Selection Fund US Large Cap	Schroder Investment Management (Europe) S.A. – German Branch	N.A.

**Appointment of sub-managers and investment advisers for the underlying Schroder International Opportunities Portfolio sub-funds (“SIOP Sub-Fund”)**

In respect of the SIOP Sub-Funds, the manager (and in the case of the Schroder Global Quality Bond, SIML and/or SIMNA) may appoint one or more other Schrodgers group companies, at its own expense and responsibility, to manage all or part of the assets of a SIOP Sub-Fund or to provide recommendations or advice on any part of the investment portfolio. Any sub-manager of a SIOP Sub-Fund appointed by the manager (or, in the case of the Schroder Global Quality Bond, SIML and/or SIMNA) may, in turn, appoint another Schrodgers group entity to manage all or part of a SIOP Sub-Fund’s assets, subject to the prior written consent of the manager.

The sub-managers of the SIOP Sub-Funds provide their investment management services (i) under the supervision of the manager (and, where applicable, SIML and/or SIMNA), (ii) in accordance with instructions received from and investment allocation criteria laid down by the manager (and, where applicable, SIML and/or SIMNA) from time to time, and (iii) in compliance with the investment objectives and policies of the relevant SIOP Sub-Fund.

**Investors should note that the sub-managers and/or investment advisers (as applicable) of the SIOP Sub-Funds are subject to change from time to time and such change will be updated at the next update of this Prospectus.** The updated list of sub-managers and/or investment advisers (as applicable) for each SIOP Sub-Fund may be obtained from the manager at the contact details set out in paragraph 20 of this Prospectus.

**Appointment of sub-managers and investment advisers for the underlying Schroder International Selection Fund sub-funds (“Schroder ISF Sub-Fund”)**

In respect of the Schroder ISF Sub-Funds into which the Trust invests, the relevant investment manager may appoint one or more other Schrodgers group companies, at its own expense and

responsibility, to manage all or part of the assets of a Schroder ISF Sub-Fund or to provide recommendations or advice on any part of the investment portfolio. Any sub-manager of a Schroder ISF Sub-Fund appointed by an investment manager may, in turn, appoint another Schroders group entity to manage all or part of a Schroder ISF Sub-Fund's assets, subject to the prior written consent of the investment manager. The Schroders group entities which may act as sub-manager are those eligible to act as investment managers of the Schroder ISF Sub-Funds and are listed at the beginning of the Schroder ISF's Luxembourg prospectus.

The sub-managers of the Schroder ISF Sub-Funds provide their investment management services (i) under the supervision of the management company of the Schroder ISF Sub-Funds and the investment manager, (ii) in accordance with instructions received from and investment allocation criteria laid down by the management company and/or the investment manager from time to time, and (iii) in compliance with the investment objectives and policies of the relevant Schroder ISF Sub-Fund.

**Investors should note that the investment managers, sub-managers and/or investment advisers (as applicable) of the respective Schroder ISF Sub-Funds are subject to change from time to time and such change will be updated at the next update of this Prospectus.** The updated list of investment managers, sub-managers and/or investment advisers (as applicable) for each Schroder ISF Sub-Fund is available at <https://www.schroders.com/en/lu/professional-investor/investing-with-us/sub-delegations/> and <https://www.schroders.com/en/lu/private-investor/investing-with-us/sisf-delegations/> and is also obtainable from the Managers at the contact details set out in paragraph 20 of this Prospectus.

**Past performance of the Managers and the underlying fund managers / sub-managers of the underlying fund into which the Trust invests, is not necessarily indicative of their future performance.**

## **2.5 Directors and key executive of the Managers**

As of the date of this Prospectus, the directors and key executives of the Manager are as follows.

(a) Chong Siok Chian Grace - Director

Grace holds the position of Head of Compliance Asia Pacific at the Managers. She joined the Managers as Head of Compliance, Singapore in July 2007. In her current role, Grace oversees the compliance teams across 8 Asia Pacific offices. Grace sits on the Boards of several Schroders entities and is also a member of Global Compliance and Risks Senior Management Group.

In March 2023, Grace took on the additional responsibility for Operational Risk for Asia Pacific to further embed the synergies that exist between Compliance & Operational Risk in the region.

Grace's career spans across the public and private sectors. She started as an auditor with Price Waterhouse in 1990. She moved on to be the Financial Controller, and subsequently promoted to Assistant General Manager, in Summit Securities (S) Pte Ltd. Prior to joining Schroders in 2007, Grace was with the MAS and headed the asset management cluster in the Capital Markets Intermediaries Division.

Grace is a Chartered Accountant (Singapore) and a member of the Institute of Singapore Chartered Accountants. She holds a Masters in Business Administration (Banking & Finance – Dean’s Honours List) from the Nanyang Business School and a Bachelor of Accountancy from the National University of Singapore.

(b) Wong Yoke Lin Martina – Director

Martina is the Chief Financial Officer, Asia Pacific at the Managers. She joined Schrodgers in July 2014.

Martina served as the General Manager of The Straits Times School Pocket Money Fund prior to joining Schrodgers. She commenced her career in the financial industry with the predecessor firm of Merrill Lynch (Smith New Court) in 1989. She served in various capacities at Merrill Lynch Singapore, including as Chief Administrative Officer and as Chief Financial Officer. From June 2003 to December 2008, she was the Chief Executive Officer of Merrill Lynch Singapore. After leaving Merrill Lynch Singapore, she also held the position of Senior Vice President, Head of Finance with the Singapore Exchange Ltd.

Martina is a Chartered Accountant (Singapore) and a member of the Institute of Singapore Chartered Accountants. She graduated with a Bachelor in Accountancy from the National University of Singapore.

(c) Diao Wei Chien Roy - Director

Roy is the Head of Asian Fixed Income at the Managers. He has more than 30 years of investment experience and was the Chief Executive Officer (“**CEO**”) and Head of Business Development at Oddo Meriten Asset Management Asia before joining Schrodgers in July 2017.

Prior to that, Roy was the CEO for BNP Paribas Investment Partners Singapore. During the 1990s, Roy joined Fischer Francis Trees & Watts, Singapore as a Senior Portfolio Manager, before becoming a Managing Director as well as the Head of Business Development and Client Services, Asia ex Japan. He started his investment career as an Associate with JP Morgan & Co., New York (“**JPM NY**”), before becoming the Vice President of Asian Foreign Exchange and an interest rate trader at JP Morgan & Co., Singapore and subsequently the Vice President of Asian Foreign Exchange and an interest rate product manager at JPM NY.

Roy holds a Bachelor of Science in Applied Mathematics and Economics from Brown University in the United States of America (“**USA**”).

(d) Lily Choh Chaw Lee - Director

Lily holds the position of Country Head, Singapore at the Managers. She joined Schrodgers as Head of Institutional Business in 2008 to lead business development for the Managers’ South East Asian institutional business. She was appointed as Head of Distribution for South East Asia in 2017 whereby she was responsible for the management of the institutional and intermediary business, strategic partnership and activities across South East Asia. She was appointed Head of Institutional for Asia Pacific in 2019 and Deputy CEO in 2020.

Prior to joining Schrodgers, Lily was a Senior Research Consultant at Mercer, overseeing Asia ex Japan equity and Asian Fixed Income manager research. She also previously chaired the Asia Pacific rating review committee in Mercer. Prior to joining Mercer, she was with the

Government of Singapore Investment Corporation from 1998 to 2004, where her responsibilities included appointing and managing external fund managers in public markets to enhance investment returns, capabilities and harness investment insights.

Lily holds a Bachelor of Science in Chemistry from the National University of Singapore. She is also a Chartered Financial Analyst.

(e) Paul Bernard Sidebottom - Director

Paul is the Head of Technology (CTO) for Asia Pacific at the Managers, where he is responsible for Technology across Asia Pacific and is also a board member for Schroder and Co. (Asia) Ltd. Prior to this, he was the Head of Digital Technology at Schroders, overseeing digital and marketing technology across the group.

Prior to joining Schroders, Paul held a variety of leadership roles in FTSE100 online businesses such as easyJet, Dominos Pizza and Arcadia Group. Prior to this, Paul spent nearly a decade working for Volkswagen Financial Services and Volkswagen Bank GmbH.

Paul holds a BSc (Hons) in Information Systems with Management from De Montfort University, United Kingdom and attended the Royal Latin Grammar School from 1993-1999.

(f) Durack Christopher James - Director

Christopher Durack is the Head of Asia Pacific for Schroders, based in Singapore.

Christopher re-joined Schroders in January 2023, having previously worked in Schroders for over a decade from 2011, in roles including Australian Director and Head of Product and Distribution, Hong Kong CEO and Head of the Institutional Business for Asia Pacific, and then Australia CEO and Co-Head of Asia Pacific.

During his time in Hong Kong, Christopher was Chairman of the Pensions Committee and an Executive Committee member for the Investment Funds Association (IFA). He has also lectured in post graduate financial economics at the University of Sydney, and in 2022 was a Non-Executive Director of IFM Investors, a major global infrastructure manager.

Prior to joining Schroders, Christopher was the Chief Executive Officer for NSW State Super, and has previous funds management experience through senior roles with two large Australian fund managers Perpetual Limited and Challenger Limited.

Christopher holds a Master's degree in Economics (First Class Honours) from the University of Sydney, and Bachelor of Commerce (with Honours) from the University of Melbourne.

***Please take note that the list of directors and key executives of the Managers may be changed from time to time without notice. Information on the latest list of directors and key executives may be obtained by contacting the Managers in the manner set out in paragraph 20 below.***

**2.6** The Managers have delegated their accounting and valuation functions in respect of the Trust to HSBC Institutional Trust Services (Singapore) Limited.

### **3. THE TRUSTEE AND CUSTODIAN**

**3.1** The Trustee of the Trust is HSBC Institutional Trust Services (Singapore) Limited whose registered office is at 10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983. The Trustee is regulated in Singapore by the Authority.

**3.2** If the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Managers) or if a receiver or judicial manager is appointed in respect of any of its assets, the Managers shall forthwith by instrument in writing remove the Trustee from its appointment under the Deed and shall by the same or some other instrument in writing appoint as trustee of the Trust some other trustee duly approved as may be required by the law for the time being applicable to the Deed.

Please refer to the Deed for further information on the role and responsibilities of the Trustee and what happens if it becomes insolvent.

**3.3** The custodian of the Trust is The Hongkong and Shanghai Banking Corporation Limited (the “**Custodian**”) whose registered office is at 1 Queen’s Road Central, Hong Kong. The Custodian is regulated by the Hong Kong Monetary Authority and authorised as a registered institution by the Securities and Futures Commission of Hong Kong.

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

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

The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of the Custodian in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors such as financial strength, reputation in the market, systems capability, operational and technical expertise, clear commitment to the custody business, adoption of international standards etc. All sub-custodians appointed will, if required by the law applicable to them, be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

If the Custodian becomes insolvent, the Trustee may by notice in writing, terminate the custodian agreement entered into with the Custodian and appoint such person as the new custodian to provide custodial services to the Trust globally.

### **4. OTHER PARTIES**

#### **4.1 Registrar and Transfer Agent**

The registrar for the Trust is the Trustee, HSBC Institutional Trust Services (Singapore) Limited, who has delegated the registrar's functions to The Hongkong and Shanghai Banking Corporation Limited (“**HBAP**”). Holders may inspect the register of Holders of the Trust (the “**Register**”) at 138 Market Street, #23-01, CapitaGreen, Singapore 048946 during usual

business hours subject to such reasonable closure of the Register and such restrictions as the Managers or the Trustee may impose.

The transfer agent for the Trust is the Managers. The Managers have delegated their transfer agent functions to HBAP.

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

#### **4.2 Auditors**

The auditors of the Trust are KPMG LLP whose registered office is at 12 Marina View, #15-01, Asia Square Tower 2, Singapore 018961.

### **5. STRUCTURE OF THE TRUST**

The Trust is structured as a stand-alone open-ended unit trust. The interests issued or offered to investors are represented by Units comprised in the Trust, representing interests in the Deposited Property of the Trust.

#### Classes of Units

The Managers may establish Classes of Units within the Trust. Different Classes within the Trust have different features. Where a new Class is established, the Managers may at their discretion re-designate any existing Class as long as there is no prejudice to existing Holders of such Class.

Currently, the Managers are offering 1 Class of Units in the Trust, namely Class A Units.

### **6. INVESTMENT OBJECTIVE, FOCUS AND APPROACH**

#### **6.1 Investment objective / product suitability**

The Trust aims to achieve long term capital appreciation through investment directly or indirectly in quoted equities and fixed income securities in global markets. The Trust will invest in multiple asset classes and will be comprised of an actively managed basket of equities, fixed income, property and commodities related securities. It is the Managers' present intention to invest the assets of the Trust into various sub-funds of the Schroder ISF and other collective investment schemes and exchange traded funds (collectively known as "**Underlying Funds**"). The Managers may from time to time at their sole discretion vary the percentage of assets of the Trust which may be invested into the Underlying Funds and may, subject to such regulatory approvals as may be required, vary the jurisdictions and types of Underlying Funds into which the Trust may invest, in accordance with the investment objective and policy of the Trust. The investment managers of the Underlying Funds are domiciled in various countries, including the United Kingdom.

The Trust may invest 30% or more of its NAV into any of the Underlying Funds set out below or any other investment schemes as notified by the Managers from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at the Managers' discretion.

Underlying Fund	Investment objective / strategy
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<p>Schroder Asian Investment Grade Credit</p>	<p>The Underlying Fund aims to provide a return of capital growth and income primarily (i.e. approximately two-thirds of its assets) through investment in a portfolio of investment grade (i.e. at or greater than BBB- rated by Standard &amp; Poor's or Fitch Ratings or Baa3 rated by Moody's) debt securities denominated in local and foreign currencies, issued by governments, government agencies, supranational and corporate borrowers across Asia (ex Japan) debt markets.</p> <p>The Managers' investment process will aim to take advantage of the broad opportunities in Asian (ex Japan) fixed income markets using the depth of Schrodgers' investment and research capabilities, both in the region and globally, to seek out these opportunities. The Managers will aim to maximise value in portfolios whilst controlling risk. Their approach will be driven primarily by fundamental analysis of market valuations in the context of economic trends, which involves both top-down and bottom-up strategies with a focus on the changing macroeconomic environment. The Managers will aim to take advantage of market inefficiency and mis-pricing over the medium to long term. As a result, the Managers will actively manage the sector and country allocation, and explore relative value opportunities in security selection.</p> <p>The Underlying Fund will not invest more than 10% of its NAV into other collective investment schemes and will not invest in commodity-backed collective investment schemes. The Underlying Fund will also not carry out uncovered sales of transferable securities, money market instruments or other financial instruments. The Underlying Fund may not borrow, other than for amounts which do not in aggregate exceed 10% of its NAV at the time the borrowing is incurred and only on a temporary basis, for purposes which are allowed under the Code.</p>
<p>Schroder Global Quality Bond</p>	<p>The Underlying Fund aims to provide a return of capital growth and income through primarily (i.e. approximately two-thirds of its assets) investing</p>



	<p>in a portfolio of high quality bonds and other fixed and floating rate securities denominated in various currencies issued by governments, government agencies, supranational and corporate issuers worldwide.</p> <p>In managing the Underlying Fund, SIML and/or SIMNA will aim to identify investment themes that will drive the performance of the fixed income markets. The Underlying Fund will be constructed with an emphasis on diversification across alpha sources and investment horizon. The Underlying Fund will be managed actively, reflecting SIML's views on the global fixed income markets.</p> <p>The Underlying Fund may also invest its assets directly in RMB denominated fixed income and debt instruments issued or distributed in mainland China ("Onshore RMB Bonds"). Direct exposure to Onshore RMB Bonds may be gained via investing in the Bond Exchange or China Interbank Bond Market ("CIBM") through the Renminbi Qualified Foreign Institutional Investor (RQFII), CIBM Direct or Bond Connect schemes and/or other means as may be permitted by the relevant regulations from time to time.</p> <p>The Underlying Fund may use derivatives, excluding credit default swaps, for hedging purposes.</p>
<p>Schroder International Selection Fund QEP Global Core</p>	<p>The Underlying Fund aims to provide capital growth and income in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.</p> <p>The Underlying Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.</p> <p>The Underlying Fund's weight in a single country, region or sector will typically be within 3% of the target index whilst the weight of each security will typically be within 0.75% of the benchmark.</p>

	<p>The Underlying Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the investment manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and growth.</p> <p>The Underlying Fund may invest directly in China B-Shares and China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the Science Technology and Innovation Board (the "<b>STAR Board</b>") of the Shanghai Stock Exchange and the ChiNext market of the Shenzhen Stock Exchange (the "<b>ChiNext</b>").</p> <p>The Underlying Fund may invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Schroder ISF's Luxembourg prospectus).</p> <p>The Underlying Fund may use derivatives with the aim of reducing risk or managing the Underlying Fund more efficiently.</p> <p>The Underlying Fund maintains a higher overall sustainability score than MSCI World (Net TR) Index, based on the investment manager's rating system. More details on the investment process used to achieve this can be found in the "Fund Characteristics" section for the Underlying Fund in the Schroder ISF's Luxembourg prospectus.</p>
Schroder International Selection Fund US Large Cap	The Underlying Fund aims to provide capital growth in excess of the Standard & Poor's 500 (Net TR) Lagged index after fees have been deducted over a three to five year period by

	<p>investing in equity and equity related securities of large-sized US companies.</p> <p>The Underlying Fund is actively managed and invests at least two-thirds of its assets in the equity and equity related securities of large-sized US companies. Large-sized companies are companies which, at the time of purchase, are considered to be in the top 85% by market capitalisation of the US equities market.</p> <p>The Underlying Fund may invest in the equity securities of non-US companies provided they are listed on one of the major North American stock exchanges.</p> <p>The Underlying Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Schroder ISF's Luxembourg prospectus).</p> <p>The Underlying Fund may use derivatives with the aim of reducing risk or managing the Underlying Fund more efficiently.</p>
Schroder Singapore Fixed Income Fund	<p>The Underlying Fund aims to provide investors with diversified exposure to the Singapore fixed income market through investment in SGD denominated bonds or where denominated in a foreign currency, hedged back to SGD.</p> <p>The Underlying Fund's investment universe is expected to overlap to a limited extent with the components of the benchmark. The manager invests on a discretionary basis and the Underlying Fund is not limited to investing in accordance with the composition of the benchmark. The manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities.</p> <p>The Underlying Fund invests in a diversified portfolio of SGD denominated fixed income securities or where denominated in a foreign currency, hedged back to SGD by adopting a passive hedging policy, including debt securities</p>

	<p>issued by the Singapore government, Singapore statutory boards and Singapore incorporated corporates with issuer credit ratings of at least Baa by Moody's, BBB by Standard and Poor's or BBB by Fitch Inc (including sub-categories or gradations therein). The Underlying Fund may also invest in non-rated debt securities issued by Singapore incorporated entities and Singapore statutory boards.</p> <p>In managing the Underlying Fund, the manager's investment philosophy is that the bond markets are global, interrelated and generally efficient - but can overreact to events. A globally integrated team of specialist analysts and portfolio managers, researching ideas in local markets, provides a performance advantage.</p> <p>The manager's investment approach when investing in bonds combines both top-down macro-economic analysis and bottom-up sector and security selection, utilising the resources and strength of its global and regional fixed income teams to identify opportunities to outperform the benchmark of the Underlying Fund and deliver the objectives of the Underlying Fund. It adopts a methodology based on fundamental analysis, with an emphasis on relative value. Portfolios are constructed in a manner that aims to profit from market opportunities when they arise.</p> <p>The Underlying Fund may use derivatives for the purposes of hedging and/or efficient portfolio management.</p> <p>The Underlying Fund maintains a higher overall sustainability score than the Markit iBoxx ALBI Singapore Index, based on the manager's rating criteria. More details on the investment process used to achieve this can be found in the "Sustainability Criteria" section set out in paragraph 7.5 of the Underlying Fund's prospectus.</p> <p>The Underlying Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under the 'Sustainability Information' section on the Underlying Fund's</p>
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	webpage accessed via <a href="https://api.schroders.com/document-store/SSFI_Sustainability%20disclosure%20Final.pdf">https://api.schroders.com/document-store/SSFI_Sustainability%20disclosure%20Final.pdf</a>
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You should note that the Trust may invest in the SPDR Gold Trust and such other fund(s) investing directly in commodities but unless otherwise permitted by the Authority, investment in such funds in aggregate shall be limited to 10% of the deposited property of the Trust. Individual commodities within a specific commodity sector may be highly correlated with each other, and correlation may be determined based on the price trends and historical returns of these individual commodities.

The Trust is suitable for investors who:

- seek long-term capital growth; and
- understand the risks involved in investing in various asset classes like equities, fixed income, property and commodities related securities.

#### **Investment style / Benchmark**

The Trust is actively managed and the benchmark, 60% MSCI World Index and 40% FTSE World Government Bond Index SGD Hedged, is used as a reference.

Given that the Trust seeks to invest across a broad range of asset classes and investment strategies in order to achieve its investment objective in a consistent manner over the long term, the reference benchmark has been selected because it is representative of the Trust's approximate allocation to bonds and equities and its associated risk-return profile in general. The reference benchmark does not represent as a constraint for portfolio management purposes.

#### **Degree of Active Management**

The Trust's investment universe is expected to overlap to a limited extent with the components of the reference benchmark. The Managers invest on a discretionary basis and there are no restrictions on the extent to which the fund's portfolio and performance may deviate from the reference benchmark. The Managers will invest in sectors or asset classes not included in the reference benchmark in order to take advantage of specific investment opportunities.

**You should consult your financial advisers if in doubt as to whether the Trust is suitable for you.**

## **6.2 Investment focus and approach of the Managers**

In an effort to create a portfolio that achieves the Trust's investment objective in a consistent manner, the Managers adopt an active management approach that is focused on creating a truly diversified investment portfolio outcome for the Trust's investors.

Unlike traditional balanced funds that simply focus on tactically allocating between defensive and growth assets, depending on the risk profile of the Trust and the Managers' relative view

of such asset classes, the Managers recognise that between defensive assets and growth assets, there are a range of assets that can contribute to a combination of better returns and lower risk in a portfolio. These asset classes warrant consideration.

Additionally, the Managers recognise that over time, traditional defensive and growth asset classes may behave in a similar fashion and therefore may not always provide investors with a diversified portfolio outcome. By considering a broad range of asset classes, sub-asset classes and investment styles, the Managers attempt to increase the probability of achieving the investment objective in a consistent manner, over the long term.

The CPF Investment Guidelines issued by the CPF Board, which may be amended from time to time, shall apply to the Trust.

The investment and borrowing restrictions of Appendix 1 of the Code shall also apply to the Trust.

## **7. CENTRAL PROVIDENT FUND INVESTMENT SCHEME (“CPFIS”)**

The Trust is included under the CPFIS and is classified under the category of “Medium to High Risk-Broadly Diversified”.

The CPF interest rate for the CPF ordinary account (“**OA**”) is based on the 3-month average of major local banks’ interest rates. Under the CPF Act, the CPF Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate.

Savings in the CPF special account (“**SA**”) and CPF medisave account (“**SMA**”) are invested in Special Singapore Government Securities (SSGS) which earn an interest rate pegged to either the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%, or 4% whichever is the higher, adjusted quarterly.

New CPF retirement account (“**RA**”) savings are invested in SSGS which earn a fixed coupon rate equal to either the 12-month average yield of the 10YSGS plus 1% computed for the year, or 4%, whichever is the higher. The interest credited to the RA is based on the weighted average interest rate of the entire portfolio of these SSGS invested using new and existing RA savings and is adjusted yearly in January.

As at the date of this Prospectus, the Singapore government will maintain the 4% per annum minimum rate for interest earned on all SMA and RA monies until 31 December 2023. Thereafter, interest rates on all CPF account monies will be subject to a minimum rate of 2.5% per annum. The interest rates on CPF OA and SMA monies are reviewed quarterly, while the interest rate of RA monies is reviewed annually.

The first S\$60,000 of a CPF member’s combined CPF accounts (capped at S\$20,000 for CPF OA) earns an extra 1% interest. To enable members to earn extra interest, only monies in excess of \$20,000 in a member’s CPF OA and S\$40,000 in the member’s CPF SA can be invested.

In addition, CPF members aged 55 and above will also earn an additional 1% extra interest on the first S\$30,000 of their combined CPF balances (capped at S\$20,000 for CPF OA).

You should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

## 8. FEES AND CHARGES #

### 8.1 Table of fees

#### Fees payable by the Holder:

	Class A Units
Preliminary Charge* (initial sales charge)	Non-CPF Units: Currently up to 5% of the Gross Investment Sum (maximum 5%) CPF Units: Nil
Realisation charge	Nil
Switching Fee**	Currently 1% (maximum 1% and minimum S\$5)

# Please note that if you choose to pay any subscription amount in a currency other than the base currency of the Trust or request to receive your realisation proceeds in a currency other than the base currency of the Trust (including, where relevant, any applicable subscription amount or realisation proceeds to be paid or received (as the case may be) in a currency other than the base currency of the Trust in which you are switching into or out of (as the case may be), the associated foreign exchange charges levied by the Managers (if any) shall be borne by you and, to the extent permitted by the Code or the Authority, be retained by the Managers.

\* The Preliminary Charge is paid to the distributor and/or the Managers.

\*\* The Switching Fee applies to switching of Class A Units to class A units of another unit trust managed by the Managers or any other collective investment scheme made available for investment by the Managers (and, in relation to another unit trust which does not have different classes of units, to the existing units in such other unit trust).

#### Fees payable by the Trust^:

Management Fee/ Management Participation	Currently 1.25% per annum (maximum 1.75% per annum)
(a) Retained by Managers	- (a) 35% to 100% of Management Fee
(b) Paid by Managers to financial adviser (trailer fee)	- (b) 0% to 65% <sup>1</sup> of Management Fee#
	#Median Trailer Fee = 35%

<sup>1</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.

Trustee Fee	Currently not more than 0.05% per annum (currently not subject to any minimum amount) Maximum 0.15% per annum
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<sup>^</sup> All fees applicable to the Trust are calculated prior to any dilution adjustments. Please refer to paragraph 21.1 of the Prospectus for more details on dilution adjustment.

<sup>#</sup> The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A Units. Institutional or accredited investors, or non-Singapore distributors are excluded in the computation of the median trailer fee whereby a trailer fee arrangement may not be applicable.

**Range of fees charged by the Underlying Funds into which the Trust may invest and payable by the Trust<sup>\*\*\*</sup>:**

Administration Fees	Up to 0.25% per annum
Custodian Fees	Up to 0.30% per annum
Management Fees	Up to 1.00% per annum

<sup>\*\*\*</sup> The above range of fees is expressed as a percentage of the respective Underlying Funds' net asset values.

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

## 9. RISKS

### 9.1 General risks

Investments in the Trust are subject to different degrees of economic, political, foreign exchange, interest rate, liquidity, default, regulatory and possible repatriation risks depending on the countries that the Trust invests into or has exposure to.

You should be aware that the price of Units and the income from them, if any, may go down as well as up and that past performance is not necessarily a guide to the future performance of the Trust. You may not get back your original investment and your principal may be at risk.

As the Trust may invest into the Underlying Funds, investments into the Trust will be subject to different degrees of economic, political, foreign exchange, interest rate, liquidity, default, regulatory and possible repatriation risks depending on the countries that the Underlying Funds invest into.

While the Managers believe that the Trust offers potential for capital appreciation, there is no assurance that this objective will be achieved.



Investments in the Trust are designed to produce returns over the long term and are not suitable for short-term speculation. You should not expect to obtain short-term gains from such investments.

## **9.2 Specific risks**

### **(a) Market risk**

The Trust is exposed to the market risk in the regions in which it invests. The value of investments by the Trust may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

### **(b) Equity risk**

The Trust may invest in stocks and other equity securities and their derivatives which are subject to market risks that historically have resulted in greater price volatility than that experienced by bonds and other fixed income securities. The Trust may also invest in convertible instruments which may be converted into equity. When the price of the underlying equity exceeds the conversion price, the convertible instrument generally behaves more like an equity and will be more sensitive to changes in equity securities. When the price of the underlying equity is lower than the conversion price, the convertible instrument generally behaves more like a bond and will be more sensitive to changes in interest rates and credit spreads.

### **(c) Interest rate risk**

Investments in bonds, debentures, loan stocks, convertibles and other debt instruments may decline in value if interest rates change. In general, the price or value of existing debt instruments rises when interest rates fall, and falls when interest rates rise. Interest rate risk is generally greater for investments with long durations or maturities.

### **(d) Credit risk**

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

### **(e) Foreign securities risk**

Investments in securities throughout the world are subject to numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental laws or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to those applicable to companies in your domicile. In addition, securities of companies or governments of some countries may be illiquid and their prices volatile and, with

respect to certain countries, the possibility exists of expropriation, nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds or other assets, including withholding of dividends. Some of the Trust's securities may be subject to government taxes that could reduce the yield on such securities, and fluctuations in foreign currency exchange rates may affect the value of securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses.

(f) **Emerging markets and frontier risk**

Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk. The Trust may invest in emerging and less developed market securities which may be subject to significant risks not typically associated with investing in securities listed on the major securities markets in developed countries, including but not limited to (a) restrictions on foreign investment and on repatriation of capital invested in emerging markets, (b) currency fluctuations, (c) the cost of converting foreign currency into Singapore dollars, (d) potential price volatility and reduced liquidity of securities traded in emerging markets, (e) political uncertainty, economic, market, settlement, legal, regulatory, social, instability, operational, execution and counterparty risks, including the risk of nationalisation or expropriation of assets and more substantial government involvement in the economy, (f) risk arising from inadequate settlement and custody systems in certain countries and (g) risk arising from less defined tax laws and procedures. As a result, prices of securities traded in the securities markets of emerging or developing countries tend to be volatile.

In particular, if the Trust is exposed to the China market, it may be subject to capital gain, withholding and other taxes for investing in the securities market in China. The tax laws, regulations and practice in China are constantly changing, and may be changed with retrospective effect.

(g) **Currency risks**

The base currency of the Trust is Singapore dollars (“**SGD**”). The assets and liabilities of the Trust may be denominated in currencies different from the base currency and the Trust may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such base currency and other currencies. If the currency in which a security is denominated appreciates against the base currency, the value of the security would increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security. The Managers may manage the currency risks by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. The currency derivative instruments which may be employed are subject to the risk of default by the counterparty. If the counterparty defaults, the unrealised gain on the transaction as well as some of the desired market exposure may be lost. The Trust may be exposed to different currencies and changes in the exchange rates of these

currencies could result in losses for the Trust. You should note that there is no assurance that the currency risks of the Trust will be fully hedged.

(h) **Financial derivatives risk**

The use of futures, options, warrants, forwards, swaps or swap options involves increased risks. The Trust's ability to use such instruments successfully depends on the Managers' ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Managers' predictions are wrong, or if the financial derivatives do not work as anticipated, the Trust could suffer greater losses than if the Trust had not used the financial derivatives. If the Trust invests in over-the-counter financial derivatives, there is an increased risk that a counterparty may fail to honour its contract. The Trust will not use financial derivative transactions for speculation or leverage. If such instruments are used, the Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the requisite expertise, experience and quantitative tools to manage and contain such investment risks. Investments in financial derivatives would normally be monitored and controlled by the Managers with regular mark-to-market valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions set out in the Deed with regard to financial derivatives.

### **9.3 Financial Derivatives**

(a) Types of financial derivatives

The financial derivatives which may be used by the Schroder ISF Sub-Funds include, but are not limited to, equity, currency, volatility or index related derivatives and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.

(b) Exposure to financial derivatives

The global exposure of the Trust to financial derivatives or embedded financial derivatives will not exceed 100% of the net asset value of the Trust at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.

The global exposure of each Schroder ISF Sub-Fund to financial derivatives will not exceed the total net assets of such Schroder ISF Sub-Fund. The overall risk exposure of each Schroder ISF Sub-Fund 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<sup>2</sup> so that it may not exceed 210% of any Schroder ISF Sub-Fund's total net assets under any circumstances.

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<sup>2</sup> The Schroder ISF may not borrow for the account of any Schroder ISF sub-fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Schroder ISF sub-fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.

In respect of each financial derivative, the commitment will be quantified by using a commitment approach. This means that the market risk will be calculated by measuring the underlying exposure of the financial derivative positions of the Underlying Fund by notionally converting these into its underlying assets.

(c) Use of financial derivatives

As at the date of registration of this Prospectus, the Trust may use financial derivatives for the purposes of hedging and/or efficient portfolio management. Where such financial derivatives are financial derivatives on commodities, such transactions shall be settled in cash at all times. The Schroder ISF Sub-Funds may invest in financial derivatives for purposes other than hedging and/or efficient portfolio management in accordance with the Schroder ISF's Luxembourg prospectus and the limits and conditions on the use of financial derivatives under applicable laws in Luxembourg.

(d) Risks on use of financial derivatives

The use of financial derivatives involves increased risks. The ability to use such instruments successfully depends on the relevant investment manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant investment manager's predictions are wrong, or if the financial derivatives do not work as anticipated, the relevant Schroder ISF Sub-Fund could suffer greater losses than if that sub-fund had not use the financial derivatives. If a Schroder ISF Sub-Fund invests in OTC financial derivatives, there is an increased risk that a counterparty may fail to honour its contract. If the relevant investment manager uses such instruments, they are of the view that they have the necessary expertise to control and manage the use of financial derivatives. Investments in financial derivatives would normally be monitored and controlled by the relevant investment manager with regular mark-to-market valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions and limits set out in the Schroder ISF's Luxembourg prospectus with regard to financial derivatives.

#### 9.4 Risk management and compliance controls

Schroders, being the group of companies to which the Managers belong, has established a Group Derivatives Committee (the "**Committee**") which reviews and monitors the adequacy and effectiveness of the processes managing operational risks faced by Schroders from the use of financial derivatives, and will escalate significant issues relating to financial derivatives to key stakeholders.

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

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

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

The Managers will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that they have the necessary expertise to manage the risk relating to the use of financial derivatives.

At your written request, the Managers will procure that supplementary information relating to the relevant Schroder ISF Sub-Fund's risk management process employed by the Schroder ISF Sub-Funds to measure and manage the risks associated with the use of financial derivatives and the investments of the Schroder ISF Sub-Fund is provided to you, except for any information which the Schroder ISF Sub-Fund manager or the directors of the Schroder ISF may deem sensitive or confidential in nature or information which if disclosed, would not be in the interest of investors of the Schroder ISF Sub-Fund generally. The information to be disclosed shall be similar to that which is required to be disclosed under applicable laws and regulations in Luxembourg to investors.

**The above is not an exhaustive list of the risks which you, as the potential investor, should consider before investing in the Trust.**

## **10. SUBSCRIPTION/CANCELLATION OF UNITS**

### **10.1 How to purchase Units**

You may apply for Class A Units from the Managers or their appointed distributors using cash or SRS Contributions, subject to any restrictions imposed from time to time on applications using SRS Contributions by any applicable authority. You should contact the Managers or the relevant distributors for more information on the availability of subscriptions using SRS Contributions.

You may also apply for Class A Units using CPF Contributions, subject to any restrictions from time to time imposed on applications using CPF Contributions by any applicable authority.

You should contact the Managers or the relevant distributors for more information on the availability of subscriptions using CPF Contributions.

For subscriptions using SRS Contributions or CPF Contributions, you must complete the application form provided by the Managers or any distributor appointed by the Managers. The Managers will obtain the subscription monies from the relevant SRS Operator or Agent Bank.

For subscriptions using cash, you must complete the application form provided by the Managers or any distributor appointed by the Managers. All applications must be accompanied with a cheque or telegraphic transfer for the application monies made payable to the Managers or the relevant distributor.

Please note that if you choose to pay any subscription amount in a currency other than the base currency of the Trust, the associated foreign exchange charges levied by the Managers (if any) shall be borne by you and, to the extent permitted by the Code or the Authority, be retained by the Managers.

**You should note that distributors of the Trust may provide a nominee service for investors who invest in the Trust through them. If you make use of such service, the distributor will hold units in its name for and on your behalf and the distributor will be entered in the Register as the Holder of the relevant Units and will be the only person recognised as having an interest in the relevant Units.**

## 10.2 Minimum initial and subsequent investment

### Class A Units

Minimum Initial Investment <sup>^</sup>	S\$1,000
Minimum Subsequent Investment <sup>^</sup>	S\$500

<sup>^</sup> The Managers may from time to time and in its sole discretion, waive (in whole or in part) the Minimum Initial Investment and/or Minimum Subsequent Investment in any particular case or generally.

## 10.3 Issue price

The issue price per Unit on each Dealing Day shall be an amount equal to the net asset value (“NAV”) per Unit as at the Valuation Point calculated in accordance with Clause 11(B) of the Deed. The NAV per Unit so determined may be subject to “dilution adjustment”, as described in paragraph 21.1 below. The Managers may, subject to the prior approval of the Trustee, change the method of determining the issue price and the Trustee shall determine if the Holders should be informed of such change.

## 10.4 Dealing Deadline

Units are priced on a forward basis. This means that the issue price for Units purchased is determined after the Dealing Deadline on each Dealing Day.

The Dealing Deadline is 5 p.m. on each Dealing Day (or such other time as may be agreed between the Managers and the Trustee). For example, if you purchase Units on or before 5

p.m. on a Dealing Day, the price you pay will be based on the issue price of the Units of that Dealing Day. If you purchase Units after 5 p.m. on a Dealing Day, the price you pay will be based on the issue price of the Units on the next Dealing Day. The issue price of Units for any Dealing Day is always calculated on the next Dealing Day.

## 10.5 How Units are issued

The number of Units (rounded to the nearest 2 decimal places) to be issued is calculated by dividing the Net Investment Sum by the issue price per Unit.

The Net Investment Sum is derived by deducting the Preliminary Charge and Duties and Charges (if any) from your Gross Investment Sum.

An example of the number of Class A Units you will receive with an investment of S\$1,000 is as follows:-

### Class A Units

Gross Investment Sum	-	(Preliminary Charge	x	Gross Investment Sum)	=	Net Investment Sum
S\$1,000.00	-	(5%	x	S\$1,000.00)	=	S\$950.00

Net Investment Sum	/	Notional issue price (NAV per Unit of Class A Units)	=	Number of Class A Units allotted
S\$950.00	/	S\$1.000*	=	950.00

This example is on the assumption that there are no Duties and Charges payable.

\* Notional issue price used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Class A Units

The Managers may on any day differentiate between applicants as to the amount of the Preliminary Charge and may on any day of the issue of Units allow any applicants a discount on the Preliminary Charge, in accordance with the provisions of the Deed.

## 10.6 Confirmation of purchase

A statement of account is normally issued within ten (10) Business Days from the date of receipt of the application form and subscription monies by the Managers.

## 10.7 Cancellation of subscription of Units

Subject to the provisions of the Deed and to the Managers' terms and conditions for cancellation of subscription of Units in the cancellation form to be provided together with the application form for Units, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form to the Managers or their appointed distributors within seven (7) calendar days (or such longer period as may be agreed between the Managers and

the Trustee) from the date of your initial subscription. However, you will have to take the risk for any price changes in the NAV of the Trust since the time of your subscription.

You should refer to the terms and conditions for cancellation of subscription attached to the cancellation form before purchasing Units in the Trust.

## **11. MONTHLY INVESTMENT PLAN**

**11.1** The Managers currently do not offer Monthly Investment Plans for the Trust directly. However, the Managers' appointed distributors may from time to time at their sole discretion offer Monthly Investment Plans for the Trust.

If applicable, you may purchase Class A Units under the MIP through (a) GIRO (for Cash Units), (b) CPF Contributions (for CPF Units), and/or (c) monies withdrawn from your SRS account ("**SRS Contributions**") (for SRS Units), subject to any restrictions imposed from time to time on applications using CPF Contributions or SRS Contributions by any applicable authority.

**11.2** You may cease participation in the MIP by giving notice in writing to the relevant distributors. You should contact the relevant distributors for more information on the MIP (including the minimum periodic contributions, timing of the investment deduction, Unit allocation as well as notice period and/or any penalty for cessation of participation in the MIP).

## **12. REALISATION OF UNITS**

### **12.1 How to realise Units**

A Holder may at any time during the life of the Trust request in writing (a "**Realisation Request**") to realise all or any Units held by him, subject to paragraph 12.2 below.

Such realisation may be effected by purchase by the Managers or by the cancellation of the Units and the payment of the realisation price out of the Deposited Property or partly one and partly the other.

Please note that if you request to receive your realisation proceeds in a currency other than the base currency of the Trust, the associated foreign exchange charges levied by the Managers (if any) shall be borne by you and, to the extent permitted by the Code or the Authority, be retained by the Managers.

### **12.2 Minimum Holding and Minimum Realisation Amount**

The Minimum Holding of Units for Class A is S\$1,000. Save as otherwise mentioned, a Holder shall not (a) be entitled to realise part of his holding of Units without the approval of the Managers if, as a result of such realisation of Units, his holding would be reduced to less than the Minimum Holding; and/or (b) unless the Managers in any particular case, or generally otherwise agree, a Holder shall not be entitled to realise Units other than in amounts of at least such number of Units which may be realised for a gross realisation amount of S\$500.

The Managers may from time to time and in its sole discretion, waive (in whole or in part) the Minimum Holding and/or the minimum realisation amount in any particular case or generally.



### 12.3 Dealing Deadline

Units are priced on a forward basis. This means that the realisation price for Units realised (the “**Realisation Price**”) is determined after the Dealing Deadline on each Dealing Day.

The Dealing Deadline is 5 p.m. on each Dealing Day (or such other time as may be agreed between the Managers and the Trustee). For example, if you realise Units on or before 5 p.m. on a Dealing Day, the realisation proceeds you will receive will be based on the Realisation Price of the Units of that Dealing Day. If you realise Units after 5 p.m. on a Dealing Day, the realisation proceeds you will receive will be based on the Realisation Price of the Units on the next Dealing Day. The Realisation Price for any Dealing Day is always calculated on the next Dealing Day.

### 12.4 How the realisation proceeds are calculated

The Realisation Price per Unit on each Dealing Day shall be an amount equal to the NAV per Unit as at the Valuation Point calculated in accordance with Clause 13(G) of the Deed. The NAV per Unit so determined may be subject to “dilution adjustment”, as described in paragraph 21.1 below. The Managers may, subject to the prior approval of the Trustee, change the method of determining the Realisation Price and the Trustee shall determine if the Holders should be informed of such change. No realisation charge is imposed by the Managers for the realisation of Units.

The realisation proceeds paid to a Holder will be the Realisation Price per Unit multiplied by the number of Units realised, less any applicable Duties and Charges. An example of the realisation proceeds a Holder will receive from realising 1000 Units is as follows:-

Number of Units realised	X	Notional Realisation Price (NAV per Unit)	=	Realisation proceeds
1000	X	S\$1.100*	=	S\$1,100.00

This example is on the assumption that there are no Duties and Charges payable.

For the avoidance of doubt, where applicable, any realisation charge and any Duties and Charges which are foreign exchange charges levied by the Managers in relation to the realisation of any Units for which Holders request for proceeds to be paid in a currency other than the base currency of the Trust shall be retained by the Managers for their own benefit to the extent permitted by the Code or the Authority.

\* Notional Realisation Price used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Trust.

If the Realisation Request in respect of Units of any Class is more than ten per cent. of the total value of all the Units of such Class then in issue or deemed to be in issue, the Managers shall have the right, instead of purchasing the said Units of such Class at the price calculated as provided above, to elect pursuant to the terms of Clause 13(H) of the Deed by notice in writing to the Holder to purchase the said Units of such Class at the aggregate price mentioned in and otherwise in accordance with the provisions of Clause 13(H) of the Deed.

### 12.5 Limit on realisation

The Managers may, with the approval of the Trustee, limit the total number of Units of the Trust which Holders may realise and which the Managers are entitled to have cancelled pursuant to Clause 12 of the Deed on any Dealing Day to ten per cent. (10%) of the total number of Units of the Trust then in issue (disregarding any Units of the Trust which have been agreed to be issued), such limitation to be applied pro rata to all Holders who have validly requested realisations on such Dealing Day and the Managers, so that the proportion so requested to be realised or cancelled pursuant to Clause 12 of the Deed is the same for all Holders of the Trust and the Managers. Any Units which, by virtue of the powers conferred on the Managers by Clause 13(F) of the Deed, are not realised or cancelled (as the case may be) shall be realised or cancelled (subject to any further application of Clause 13(F) of the Deed) on the next succeeding Dealing Day Provided That if on such next succeeding Dealing Day, the total number of Units of the Trust to be cancelled or realised (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, the Managers may further carry forward the requests for realisation or cancellation (as the case may be) until such time as the total number of Units of the Trust to be realised or cancelled (as the case may be) on a Dealing Day falls within such limit and Provided Further That any Units of the Trust which have been carried over as aforesaid shall on any such succeeding Dealing Day be realised or cancelled in priority to any new Units of the Trust due to be realised or cancelled on that Dealing Day. If Realisation Requests are carried forward as aforesaid, the Managers shall, within seven (7) Business Days, give notice to the affected Holders that such Units of the Trust have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next succeeding Dealing Day.

#### **12.6 Period and method of payment**

The realisation proceeds are paid to Holders within seven (7) Business Days (or such other period as may be prescribed by the Authority) following the receipt of the Realisation Request.

Any monies payable to a Holder in respect of:

- (a) CPF Units shall be paid by transferring the said amounts to the relevant Agent Bank or the CPF Board for credit of such Holder's CPF Investment Account or where such account has been terminated, for credit of such Holder's CPF ordinary account or special account or otherwise in accordance with the provisions of the CPFIS Regulations;
- (b) Cash Units shall be paid by cheque sent through the post or by telegraphic transfer to the Holder at the address of such Holder, or in the case of Joint Holders, to all Joint Holders at the address appearing in the Register. In the case of Joint Holders, the cheque shall be made payable to the Joint Holder first named in the Register; and
- (c) SRS Units shall be paid by transferring the said amounts to the relevant SRS Operator for credit of such Holder's SRS Account or where such account has been terminated, to the Holder in accordance with any applicable laws, regulations or guidelines.

For CPF Units, payment as set out in (a) above shall be a satisfaction of the monies payable and the receipt of the relevant Agent Bank or CPF Board (as the case may be) shall be a good discharge to the Managers or the Trustee (as the case may be). For Cash Units, payment of the cheque by the banker upon whom it is drawn shall be a satisfaction of the monies payable.

For SRS Units, payment as set out in (c) above shall be a satisfaction of the monies payable and the receipt of the relevant SRS Operator shall be a good discharge to the Managers or the Trustee (as the case may be). Where an authority in that behalf shall have been received by the Trustee or the Managers in such form as the Trustee shall consider sufficient, the Trustee or the Managers (as the case may be) shall pay the amount due to any Holder to his bankers or other agent and the receipt of such bankers or other agent shall be a good discharge therefor. No amount payable to any Holder shall bear interest.

If a Holder is resident outside Singapore, the Managers shall be entitled to deduct from the total amount which would otherwise be payable in accordance with Clause 13 of the Deed on the purchase from the Holder an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Holder had been resident in Singapore.

### 13. SWITCHING OF UNITS

- (a) Subject to the Managers' absolute discretion to reject any Switching Notice without assigning any reason therefor and the provisions of Clause 13(B) of the Deed, a Holder may request to switch all or any part of his Units into the units of any other trust managed, or any other collective investment scheme (whether authorised or recognised under the SFA) made available for investment, by the Managers ("**new Trust**") in accordance with the provisions in Clause 13(K) to (O) of the Deed, Provided That CPF Units and SRS Units of the Trust may only be switched into a new Trust which is a CPF Included Fund or available for investment using SRS monies respectively and Class A Units of the Trust may only be switched into class A units of the new Trust, subject to any restrictions imposed from time to time on applications using CPF Contributions or SRS Contributions by any applicable authority. Holders should contact the Managers or the relevant distributors for more information. For the avoidance of doubt, Class A Units of the Trust may be switched into units of a new Trust which does not contain any particular class or classes of units. No switching is permitted if realisation of the Units of the Trust is suspended or if the issue of units of the new Trust is suspended on the relevant dealing day of the Trust or the new Trust (as the case may be).
- (b) Where a Holder switches Units of the Trust to units of a new Trust, the Realisation Price of Units of the Trust shall be the NAV per Unit on the relevant Dealing Day on which a Switching Notice is received and accepted by the Managers. The Managers shall not impose a Preliminary Charge in relation to the new Trust but shall be entitled to deduct a Switching Fee from the realisation proceeds from the Units of the Trust. Units of the new Trust shall be issued at the NAV per unit of the new Trust on a dealing day of the new Trust to be determined, as soon as practicable, by the Managers subject to paragraph 13(e) below and the trust deed of the new Trust. The NAV per Unit may be subject to "dilution adjustment", as described in paragraph 21.1 below.
- (c) The Switching Fee shall not exceed one (1) per cent of such realisation proceeds PROVIDED THAT such fee shall not be less than S\$5 or such other amount as may from time to time be determined by the Managers. The Switching Fee shall be retained by the Managers for their own benefit. The Managers may on any day differentiate

between Holders who switch their Units as to the rate of the Switching Fee PROVIDED ALWAYS THAT such rate shall be within the limits specified in this paragraph and the Managers may on any day grant to any person a discount on the Switching Fee as they think fit. No such discount shall exceed the amount of the Switching Fee and the discount shall be deducted from the Switching Fee otherwise due. Please note that where relevant, in connection with any applicable subscription amount or realisation proceeds to be paid or received (as the case may be) in a currency other than the base currency of the Trust in which you are switching into or out of (as the case may be), the associated foreign exchange charges levied by the Managers (if any) shall be borne by you and, to the extent permitted by the Code or the Authority, be retained by the Managers.

- (d) To request for a switching of Units, a Holder must deliver a duly completed Switching Notice to the Managers. In order for a Switching Notice to be effected on a particular Dealing Day of the Trust, it must be received by the Managers not later than the Dealing Deadline on that Dealing Day of the Trust. If any Switching Notice is received after the Dealing Deadline on that Dealing Day of the Trust or received on any day which is not a Dealing Day of the Trust, such Switching Notice shall be treated as having been received before the Dealing Deadline on the next Dealing Day of the Trust.
- (e) In effecting the duly completed Switching Notice submitted by the relevant Holder, the Managers may in their absolute discretion defer the subscription of units of a new Trust to a later dealing day of the new Trust in such circumstances which the Managers deem necessary to facilitate the switch into units of the new Trust (including but not limited to where the Trust and the new Trust are subject to different dealing days, or dealing deadlines, or valuation points, or if the Trust and the new Trust are subject to different fund holidays or different currency holidays during the settlement cycle) provided that the Managers shall not defer such subscription indefinitely.

## **14. OBTAINING PRICES OF UNITS**

The NAV per Unit of Class A Units is published at the Managers' website at <http://www.schroders.com.sg> one (1) Business Day after the relevant Dealing Day and is also available from the Managers.

## **15. SUSPENSION OF DEALINGS**

- 15.1** Subject to the provisions of the Code, the Managers may, with the approval of the Trustee suspend the issue, realisation and/or cancellation of Units of the Trust or any Class of the Trust and/or the determination of the NAV of the Trust or any Class of the Trust (i) during any period when any Recognised Stock Exchange on which any Authorised Investment forming part of the Deposited Property for the time being is listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended, (ii) during the existence of any state of affairs which, in the opinion of the Managers might seriously prejudice the interest of the Holders as a whole or of the Deposited Property, (iii) during any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on any Recognised Stock Exchange or when for

any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material proportion of the Authorised Investments cannot be determined), (iv) during any period when remittance of monies which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Managers, be carried out at normal rates of exchange, (v) any period when dealings in the Underlying Funds are suspended or restricted, (vi) for 48 hours (or such longer period as the Managers and Trustee may agree) prior to the date of any meeting of Holders of the Trust or any Class of the Trust (or any adjourned meeting thereof) convened in accordance with the provisions of the Schedule to the Deed for the purposes of, inter alia, determining the total number and value of all the Units in issue and reconciling the number of Units stated in proxy forms received from Holders against the number of Units stated in the Register in respect of the Trust or any Class of the Trust or (vii) during such circumstances as may be required under the provisions of the Code. Subject to the provisions of this paragraph, such suspension shall take effect forthwith upon such date as determined by the Managers and the Trustee and subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which suspension is authorised under this paragraph shall exist upon the declaration in writing thereof by the Managers. The Managers shall give notice in writing to the Trustee of the commencement and termination of any such suspension.

- 15.2** Subject to the provisions of the Code, the Trustee may (after consulting the Managers) instruct the Managers to temporarily suspend the realisation of Units during any period of consultation or adjustment (if any) of the value of the assets used in determining the Realisation Price in accordance with the provisions in the Deed.
- 15.3** Subject to the provisions of the Code, the Managers may suspend the realisation of Units in accordance with Clause 13(H) of the Deed for such reasonable period as may be necessary to effect an orderly realisation of Authorised Investments.
- 15.4** The Managers shall suspend all dealings in Units of the Trust during any period as the Authority may direct and such suspension shall comply with the terms set out in the order, notice or directive issued by the Authority.

## **16. PERFORMANCE OF THE TRUST**

### **16.1 Past performance of the Trust and its benchmark**

The returns of the Trust and its benchmark since inception and over the last 1, 3, 5 and 10 years (as at 31 March 2023) are as follows:-

	<u>Total Return</u>	<u>Average Annual Compounded Return</u>			
	1 year	3 years	5 years	10 years	Since launch*

Class A Units	-13.58%	4.85%	3.14%	4.07%	3.12%
Benchmark	-7.41%	6.69%	5.27%	6.63%	4.47%

\* Launch date was 8 May 1998.

Source: Schroders; Basis of calculation: Singapore dollars, net dividends reinvested

You should note that the performance returns of the Trust as shown in the table above are calculated based on the NAV of the Trust after dilution adjustments (if any) have been applied.

Returns are calculated on an offer-to-bid basis (taking into account the Preliminary Charge) and on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

Prior to 2 January 2014, the composite benchmark against which the performance of the Trust was measured was 60% MSCI World Index and 40% FTSE World Government Bond Index (formerly known as Citigroup World Government Bond Index). With effect from 2 January 2014, the bond component of the composite benchmark was changed to 40% FTSE World Government Bond Index SGD Hedged in order to better reflect the actual currency hedging employed in managing the Trust's fixed income investments and to provide a better match for the investment aims of the investors of the Trust, as well as to reduce the benchmark volatility in SGD terms. Therefore, with effect from 2 January 2014, the composite benchmark against which the performance of the Trust is measured is 60% MSCI World Index and 40% FTSE World Government Bond Index SGD Hedged.

You should note that the past performance of the Trust is not necessarily indicative of the future performance of the Trust. **You should also bear in mind that the since launch performance figures above partly reflect the former investment policy of the Managers and that past performance of the former investment policy is not reflective of the new investment policy of the Trust (as set out in paragraph 6 of this Prospectus) which came into effect on 7 July 2006.**

## 16.2 Expense ratio

The expense ratio for Class A Units based on the figures in the Trust's latest audited accounts for the period 1 January 2022 to 31 December 2022 is 1.49%.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore's (IMAS) guidelines on the disclosure of expense ratios. The following expenses (where applicable) are excluded from calculating the Trust's expense ratio:-

- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (b) foreign exchange gains and losses of the Trust, whether realised or unrealised;
- (c) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- (d) tax deducted at source or arising on income received including withholding tax;

- (e) interest expense; and
- (f) dividends and other distributions paid to Holders.

### 16.3 Turnover ratio

The turnover ratio (calculated in accordance with the Code) of the Trust's portfolio for the period 1 January 2022 to 31 December 2022, calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage over the daily average NAV of the Trust was 45.28%.

For the period 1 January 2022 to 31 December 2022, the turnover ratio of each of the Underlying Fund (calculated based on the lesser of purchases or sales of underlying investments of the relevant Underlying Fund expressed as a percentage of the daily average NAV of that Underlying Fund) is as follows:

Schroder Asian Investment Grade Credit	88.39%
Schroder Global Quality Bond	250.74%
Schroder International Selection Fund QEP Global Core	55.44%
Schroder International Selection Fund US Large Cap	38.42%
Schroder Singapore Fixed Income Fund*	73.93%

\*For the period from 1 July 2021 to 30 June 2022.

### 16.4 Distribution Policy

The Managers intend to declare quarterly distributions at a variable percentage per annum of the NAV per Unit to Holders on or around 31 March, 30 June, 30 September and 31 December, commencing on or around 31 March 2018. Distributions are payable 2 months from the declaration of the distributions on or around 31 March, 30 June, 30 September and 31 December respectively. Holders who are named in the Register as at the date of declaration of distributions will be entitled to such distributions.

You should note that the Managers shall have the absolute discretion to determine whether a distribution is to be made.

The Managers may from time to time, with the consent of the Trustee, make distributions from the capital of the Trust. Where distributions are paid out of the capital of the Trust, the NAV of the Trust will be reduced.

The distribution policy set out above is subject to the relevant distribution provisions set out in the Deed, and in particular, subject always to the Managers' right to review and make changes to such policy.

A Holder may at any time request in writing for the automatic reinvestment of all but not part of the distributions to be received by him in the purchase of further Units.

Unless specifically instructed in writing by the relevant Holder, any distribution payable to a Holder for an amount that is below S\$50 or its equivalent shall be automatically reinvested into new Units of the relevant Class on the relevant payment date of the distribution. This will not apply to distributions payable into a Holder's CPF Investment Account or SRS Account or distributions payable in respect of Units subscribed using cash through any agent or distributor of the Managers.

Where a distribution payment has been made to a Holder via a cheque and such cheque has expired (i.e. the cheque is un-presented for six months since the date of its issue), unless specifically instructed in writing by that Holder, any subsequent distribution payable to him shall be automatically reinvested into new Units of the relevant Class on the relevant payment date of the distribution.

## **17. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS**

In its management of the Trust, the Schroder Singapore Fixed Income Fund and the Schroder Asian Investment Grade Credit, the Managers currently do not receive or enter into any soft-dollar commissions or arrangements.

In its management of the Schroder Global Quality Bond, the Managers, SIML and SIMNA currently do not receive or enter into any soft dollar commissions or arrangements.

The managers of the Underlying Funds (save for the Schroder Fixed Income Fund, the Schroder Asian Investment Grade Credit and the Schroder Global Quality Bond) may enter into soft dollar commission arrangements only where there is a direct and identifiable benefit to the clients of the managers of the Underlying Funds, and where the managers of the Underlying Funds are satisfied that the transactions generating the soft dollar commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Underlying Funds. Any such arrangements must be made by the managers of the Underlying Funds on terms that commensurate with best market practice.

## **18. CONFLICTS OF INTEREST**

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

The factors which the Managers will take into account when determining if there are any conflicts of interest as described above include the assets (including cash) of the Trust as well



as the assets of the other unit trusts managed by the Managers. To the extent that another unit trust managed by the Managers intends to purchase substantially similar assets, the Managers will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the Trust and the other unit trusts.

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

## **19. REPORTS**

The financial year-end of the Trust is 31 December.

The annual report, the annual audited Accounts and the auditor's report on the annual Accounts of the Trust will be sent or made available to Holders within 3 months (or such other period as may be permitted by the Authority) from the end of the financial year.

The semi-annual report and semi-annual Accounts of the Trust will be sent or made available to Holders within 2 months (or such other period as may be permitted by the Authority) of each financial half-year end.

## **20. QUERIES AND COMPLAINTS**

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

## **21. OTHER MATERIAL INFORMATION**

### **21.1 Dilution And Dilution Adjustment**

The Trust is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, realisations and/or switching in and out of the Trust. This is known as "dilution". In order to counter this and to protect Holders' interests, the Managers will apply "dilution adjustment" as part of their daily valuation policy. This will mean that in certain circumstances the Managers (if in their opinion in good faith it is in the interest of Holders to do so) will make adjustments in the calculations of the NAV per Unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant, as further described below.

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, switching and realisations received by the Trust for each Dealing Day. The Managers therefore reserves the right to make a dilution adjustment where the Trust experiences a net cash movement which exceeds a threshold set by the Managers from time to time of the previous Dealing Day's total NAV. You should note that the value of the Units held by a Holder

may therefore be diluted when the net value of subscriptions, switching and realisations received by the Trust for a Dealing Day is below such threshold.

The Managers may also make a discretionary dilution adjustment if, in their opinion, it is in the interest of existing Holders to do so.

Where a dilution adjustment is made, it will increase the NAV per Unit when there are net inflows into the Trust and decrease the NAV per Unit when there are net outflows. Where there is more than one Class established within the Trust, the NAV per Unit of each Class in the Trust will be calculated separately but any dilution adjustment will, in percentage terms, affect the NAV per Unit of each Class identically. All fees applicable to the Trust (including management fees and performance fees (if any)) are calculated prior to any dilution adjustments.

As dilution is related to the inflows and outflows of money from the Trust, 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 Managers will need to make such dilution adjustments.

Because the dilution adjustment for the Trust will be calculated by reference to the costs of dealing in the underlying investments of the Trust, including any dealing spreads, which can vary with market conditions, this means that the amount of the dilution adjustment can vary over time but shall not exceed 2% of the NAV per Unit on the relevant Dealing Day and the Managers reserve the right to adjust upwards or downwards the NAV per Unit on any Dealing Day in accordance with the foregoing without giving notice to relevant Holders provided that during circumstances which the Managers may deem as extraordinary market circumstances or significant unexpected changes in general market conditions (including but not limited to high market volatility, illiquidity in the markets, disruption of markets or slowdown of the economy caused by terrorist attack or war or other hostilities, a serious pandemic, or a natural disaster such as a hurricane or a super typhoon) in their absolute discretion, the Managers may temporarily increase the dilution adjustment beyond 2% of the NAV per Unit to such higher percentage as the Managers may determine from time to time in consultation with the Trustee, and such increase shall (if so required by the Authority and/or the Trustee) be notified to the Holders in such manner as the Managers and Trustee may agree.

You should note that the performance returns of the Trust as shown in the table in paragraph 16.1 above are calculated based on the NAV of the Trust after dilution adjustments (if any) have been applied. This could increase the variability of the returns of the Trust. You should also note that there is a possibility that the returns of the Trust may be influenced by the level of trading activity, in addition to the Trust's investments.

## **21.2 Taxation in Singapore**

The following is a summary of certain Singapore tax consequences in relation to the Trust. This summary is based on the existing provisions of relevant tax law and the regulations thereunder, the circulars issued by the Authority and practices in effect as at the date of registration of this Prospectus, all of which are subject to change and differing interpretations, either on a prospective or retroactive basis. The summary is not intended to constitute a complete analysis of all the tax consequences relating to a participation in the Trust. Prospective investors should consult their own tax advisers concerning the tax consequences

of their particular situations, including the tax consequences arising under the laws of any other tax jurisdiction, which may be applicable to their particular circumstances. The summary does not constitute tax or legal advice.

It is emphasised that neither the Trustee nor the Managers or any persons involved in the issuance of the Units accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal/redemption of the Units.

### **Income tax**

Singapore income tax is imposed on income accruing in or derived from Singapore and on foreign-sourced income received or construed to be received in Singapore, subject to certain exceptions. Currently, the corporate income tax rate in Singapore is 17%.

### **Gains on disposal of investments**

Singapore does not impose tax on capital gains. However, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax. The determination of whether the gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case. Generally, gains on disposal of investments are considered income in nature and sourced in Singapore if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore.

As the investment and divestment of assets of the Trust are managed in Singapore by the Managers, the income earned by the Trust may be considered to be sourced in Singapore and subject to Singapore income tax, unless the income is exempted from tax pursuant to section 13U of the Income Tax Act 1947 (the "ITA") and the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010 (the "Regulations") (collectively referred to as the "Tax Exemption Scheme").

### **The Tax Exemption Scheme**

The Trust has been approved by the Authority for the Tax Exemption Scheme under section 13U of the ITA with effect from 30 May 2015.

Under the Tax Exemption Scheme, "specified income" derived from "designated investments" by an "approved person" will be exempt from tax in Singapore, if the "approved person" is managed in Singapore by a fund manager and certain prescribed conditions are met.

To qualify for the Tax Exemption Scheme in a particular year, the Trust must meet the following conditions:

- (i) The Trust must be managed or advised directly throughout each basis period relating to any year of assessment by a fund management company ("**FMC**") in Singapore, where the FMC:
  - a) must hold a capital markets services ("**CMS**") licence for the regulated activity of fund management under the SFA or is exempt from the requirement to hold such a licence under the SFA, or as otherwise approved by the Minister for Finance or such other persons as he may appoint; and

- b) must employ at least three investment professionals (“investment professionals” refer to persons who are earning more than S\$3,500 per month and must be engaging substantially in the qualifying activity, e.g. portfolio managers, research analysts and traders);
- (ii) The Trust must incur at least S\$200,000 business spending (according to accounting principles and includes, but is not limited to, the following expenses paid to Singapore entities: management fees, and other operating costs) in Singapore in each basis period relating to any year of assessment;
- (iii) The Trust must not change its investment objective/strategy after being approved for the Tax Exemption Scheme unless such change is for bona fide commercial purposes and the change is approved by the Authority before the effective date of change in strategy;
- (iv) The Trust does not concurrently enjoy other tax incentive schemes; and
- (v) The Trust meets such other conditions as specified in the letter of approval issued by the Authority.

If the Trust fails to satisfy the specific conditions for any basis period, the Trust will not enjoy the tax exemption on “specified income” derived from “designated investments” for that basis period. The Trust can, however, enjoy the tax exemption in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

“**Specified income**” is defined as:

Any income or gains derived on or after 19 February 2019 from “**designated investments**” except for the following;

- (a) Distributions made by a trustee of a real estate investment trust<sup>3</sup> within the meaning of section 43(10) of the ITA;
- (b) Distributions by a trustee of a trust who is resident in Singapore or a permanent establishment in Singapore, other than a distribution made by a trustee whose income is exempt from tax under sections 13D, 13F, 13L or 13U of the ITA;
- (c) Income or gain derived or deemed to be derived from Singapore; from a publicly-traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and
- (d) Income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

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<sup>3</sup> As defined in section 43(10) of the ITA, this refers to a trust constituted as a collective investment scheme authorised under section 286 of the SFA and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets.

**“Designated investments”** is defined as:

- (a) Stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (b) Debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities<sup>4</sup> issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (c) Units in real estate investment trusts and exchange traded funds constituted in the form of trusts and or any other securities (not already covered in other sub-paragraphs of the list) but excluding any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (d) Futures contracts held in any futures exchanges;
- (e) Any immovable property situated outside Singapore;
- (f) Deposits placed with any financial institution;
- (g) Foreign exchange transactions;
- (h) Interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives;
- (i) Units in any unit trust, except:
  - (i) A unit trust that invests in Singapore immoveable properties;
  - (ii) A unit trusts that holds stock, shares, debt or any other securities issued by any unlisted company that is in the business of trading or holding of Singapore immoveable properties (other than one that is in the business of property development); and
  - (iii) A unit trust that grants loans that are excluded under (j);
- (j) Loans<sup>5</sup>, except:
  - (i) Loans granted to any unlisted company that is in the business of trading or holding of Singapore immoveable properties (other than one that is in the business of property development);
  - (ii) Loans to finance / re-finance the acquisition of Singapore immoveable properties; and
  - (iii) Loans that are used to acquire stocks, shares, debt or any other securities issued by an unlisted company that is in the business of trading or holding of

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<sup>4</sup> “Non-qualifying debt securities” refers to debt securities that do not enjoy “Qualifying Debt Securities” tax status as defined under section 13(16) of the ITA.

<sup>5</sup> Including secondary loans, credit facilities and advances.

Singapore immoveable properties (other than one that is in the business of property development);

- (k) Commodity derivatives<sup>6</sup>;
- (l) Physical commodities if –
  - (i) the trading of those physical commodities by the approved person in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this paragraph as related commodity derivatives) in that basis period; and
  - (ii) the trade volume of those physical commodities traded by the approved person in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded by the approved person in that basis period;
- (m) Units in a registered business trust;
- (n) Emission derivatives<sup>7</sup> and emission allowances;
- (o) Liquidation claims;
- (p) Structured products<sup>8</sup>;
- (q) Islamic financial products<sup>9</sup> and investments in prescribed Islamic financing arrangements under section 34B of the ITA that are commercial equivalents of any of the other designated investments;
- (r) Private trusts that invest wholly in designated investments;
- (s) Freight derivatives<sup>10</sup>;
- (t) Publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore;
- (u) Interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;
- (v) Bankers acceptances issued by financial institutions;
- (w) Accounts receivable and letters of credit; and
- (x) Interests in Tokumei Kumiai (TK)<sup>11</sup>.

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<sup>6</sup> Commodity derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying commodities.

<sup>7</sup> Emission derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

<sup>8</sup> As defined under section 13(16) of the ITA.

<sup>9</sup> Recognised by a Shariah council, whether in Singapore or overseas.

<sup>10</sup> Freight derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

<sup>11</sup> A TK is a contractual arrangement under which one or more silent investors (the TK investor) makes a contribution to a Japanese operating company (the TK operator) in return for a share in the profit/loss of a specified business conducted by the TK operator (the TK business).

A “**fund manager**” for the purpose of the Tax Exemption Scheme means a company holding a CMS licence under the SFA for fund management or one that is exempt under the SFA from holding such a licence. The Managers hold a CMS licence for fund management and fulfil this criteria.

The Managers will endeavour to conduct the affairs of the Trust in such a way that it will satisfy the qualifying conditions under the Tax Exemption Scheme for the life of the Trust. Notwithstanding the foregoing, there is no assurance that the Managers will, on an on-going basis, be able to ensure that the Trust will always meet all the qualifying conditions for the Tax Exemption Scheme. If the Trust is disqualified from the Tax Exemption Scheme, the Trust may be exposed to Singapore tax on its income and gains, wholly or partially as the case may be, at the prevailing corporate tax rate (currently 17%). The Trust can however, enjoy the tax exemption under the Tax Exemption Scheme in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

#### **Taxation of investors**

Distributions paid by the Trust out of income derived during the periods that the Trust enjoys the Tax Exemption Scheme will be exempted from Singapore tax in the hand of its investors.

#### **Reporting obligations**

Under the Tax Exemption Scheme, the Trust will be required to submit annual tax returns to the Comptroller of Income Tax (the “**Comptroller**”) in Singapore. In addition, the Trust must submit an annual declaration to the Authority. The annual declaration should be submitted within four months of the Trust's financial year end.

#### **Goods and services tax (“GST”)**

The Trust may incur Singapore GST on its expenses. Should there be GST incurred, the Trust shall be allowed to recover the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 December 2024 as announced in the 2019 Budget Statement. The amount of GST claimed is based on a fixed percentage which is revised annually. The fixed percentage for 2023 is 91%.

However, should the Trust not meet the qualifying conditions, the GST incurred (if any) will become an additional cost to the Trust.

### **21.3 US tax reporting obligations under FATCA**

The provisions of the Foreign Account Tax Compliance Act (“**FATCA**”) were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act. It includes provisions under which the Managers as a Foreign Financial Institution (“**FFI**”) may be required to report to the US Internal Revenue Service (“**IRS**”) certain information about Units held by US persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. A 30% withholding tax may apply pursuant to the FATCA provisions on certain US-source payments (and other payments relating to investments in certain US securities) made to the FFI, unless it has in effect a valid agreement with the Secretary of the US Treasury, or is subject to local FATCA disclosure obligations enacted to give effect to an intergovernmental agreement between the FFI's jurisdiction of incorporation / establishment / residence and the US. These agreements obligate a FFI

classified as a "Reporting Financial Institution" to obtain and verify certain information from investors and comply with annual reporting requirements with respect to certain direct or indirect US investors as well as satisfy other requirements. The provisions of FATCA are generally designed to require the reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the IRS.

Singapore has concluded a Model I Intergovernmental Agreement with the US government (the "**Singapore-US IGA**"). Under the Singapore-US IGA, entities classified as "Reporting Singapore-based Financial Institutions" will be required to obtain certain information from investors and report requisite account information of investors who are Specified US Persons<sup>12</sup> or of controlling person(s) of an investing entity who is/are a Specified US Person(s) to the Inland Revenue Authority of Singapore ("**IRAS**").

The Trust may accordingly be required to comply with the provisions of FATCA under the terms of the Singapore-US IGA and the Singapore legislation implementing the Singapore-US IGA.

In order to comply with its FATCA obligations, the Trust, the Trustee or the Managers may be required to obtain certain information from you so as to ascertain your US tax status. If you are a Specified US Person under the provisions of FATCA, US owned non-US entity, non-participating FFI or do not provide the requisite documentation, the Trust will need to report prescribed information on you to the IRAS, in accordance with applicable laws and regulations, which will in turn report this to the IRS. Provided that the Trust acts in accordance with these provisions it will not be subject to withholding tax under FATCA.

Distributors and Holders should note that it is the existing policy of the Managers that Units are not being offered or sold for the account of US Persons for the purposes of FATCA and that subsequent transfers of Units to such US Persons are prohibited. If Units are beneficially owned by any such US Person, the Managers (in consultation with the Trustee) may compulsorily redeem such Units. Holders should moreover note that under the FATCA legislation, the definition of "Specified US Persons" will include a wider range of investors than the current US Person definition.

You should consult your tax advisor should you have any concerns in this regard.

#### **21.4 Tax reporting obligations under CRS**

The Common Reporting Standard ("**CRS**") is an internationally agreed standard endorsed by the Organisation for Economic Cooperation and Development ("**OECD**") and the Global Forum for Transparency and Exchange of Information for Tax Purposes. The CRS includes provisions under which a Financial Institution (as defined in the CRS) may be required to report to the IRAS, certain information about Units held by investors who are tax residents in jurisdictions which have committed to adopt CRS ("**CRS Participating Jurisdictions**") and to collect additional identification information for this purpose.

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<sup>12</sup> A "Specified US Person" means any US Person (as defined in the FATCA) other than those specifically excluded under Article 1(bb) of the Singapore-US IGA.



On 1 January 2017, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 ("**Singapore CRS Regulations**") was brought into effect to implement the CRS in Singapore. Under the Singapore CRS Regulations, entities classified as "Reporting Singapore-based Financial Institutions" will be required to obtain certain information from investors and report the prescribed account information of investors with direct or indirect ownership of that entity (in certain circumstances) and who are tax residents of jurisdictions with which Singapore has a bilateral exchange relationship for CRS in force ("**CRS Reportable Jurisdictions**").

The Trust may accordingly be required to comply with the provisions of CRS under the Singapore CRS Regulations.

In order to comply with its CRS obligations, the Trust, the Trustee, or the Managers may be required to obtain certain information from you so as to ascertain your tax residency status. If you (or the controlling person(s) of an investing entity, in certain circumstances) are a tax resident in a CRS Reportable Jurisdiction, or do not provide the requisite documentation, the Trust may need to report information on you to the IRAS, in accordance with applicable laws and regulations.

Distributors and Holders should note that it is the existing policy of the Managers that Units are not being offered or sold for the account of investors who do not provide the requisite information for CRS purposes and subsequent transfers of Units to such investors are prohibited. If Units are beneficially owned by any person who has not provided the requisite information for CRS purposes, the Managers (in consultation with the Trustee) may compulsorily redeem such Units.

Should you have any concerns in this regard, please consult your tax advisor on the possible tax and other consequences with respect to the implementation of the CRS.

## **21.5 Treatment of personal data**

If you are an individual investor, each time you voluntarily provide your personal data in order to carry out a transaction in relation to the Trust, you are deemed to have consented to the following:

- that the Managers and their related corporations from time to time (the "**Schroder Group**") and/or the Trustee shall collect, store and maintain the personal data and other information relating to you as received (whether in writing, electronically or otherwise) as part of the records of the Trust maintained by the Schroder Group and/or the Trustee (as the case may be);
- that such personal data collected, stored and maintained shall be used for the purposes of account maintenance and transaction purposes from time to time including but not limited to the processing of such personal data for record keeping purposes, compliance and regulatory (including complying with any anti-money laundering regulations) purposes, legal purposes, audit purposes, tax (including tax reporting) purposes and for the purpose of providing you with regular statements of account and other notices;

- that such personal data collected, stored and maintained shall be provided to and processed by third parties for the above purposes from time to time including but not limited to the registrar of the Trust, the agents and service providers employed by the Schroder Group, the distributors, banks (including Agent Banks and SRS Operators where applicable), insurers, fund managers, and other intermediaries of the Schroder Group, and the professional advisers to the Schroder Group of companies for the above purposes;
- that such personal data collected, stored and maintained shall be provided to any and all applicable regulatory authorities (including the Inland Revenue Authority of Singapore, the CPF Board and the Authority) upon request or as may be required by applicable law or regulation from time to time; and
- that such personal data shall be stored, maintained, used, processed, transferred or held in Singapore or outside Singapore, as the Schroder Group and/or the Trustee shall consider appropriate for the above purposes.

## **21.6 Transfer of Units**

In respect of Cash Units, every Holder shall be entitled to transfer the Units or any of the Units held by him by an instrument in writing in common form (or in such other form as the Managers and the Trustee may from time to time approve); Provided That no transfer of part of a holding of Units shall be registered without the approval of the Managers and the Trustee if in consequence thereof either the transferor or the transferee would be the Holder of less than the Minimum Holding. Notwithstanding the foregoing, or any other provision of the Deed, a minor's title to or interest in any Units before he has attained the age of 21 years, shall only be transferred if permitted by or in accordance with the law, Provided Further That no transfer of CPF Units or SRS Units shall be permitted. A fee may be charged by the Trustee for the registration of a transfer.

## **21.7 Duration and termination of the Trust**

The Trust is of indeterminate duration but may be terminated in the following circumstances:-

- (a) by either the Trustee or the Managers in their absolute discretion by not less than one year's notice in writing to the other given so as to expire at the end of the year 2013 or thereafter at the end of each fifteen-year period. Either the Trustee or the Managers shall be entitled by notice in writing as aforesaid to make the continuation of the Trust beyond any such date conditional on the revision to its or their satisfaction at least three months before the relevant date of its or their remuneration under the Deed. In the event that the Trust shall be terminated or discontinued, the Managers shall give notice thereof to all Holders not less than three months in advance;
- (b) subject to section 295 of the SFA, by the Trustee by notice in writing in any of the following events:
  - (i) if any law shall be passed or any direction is given by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust;

- (ii) if within the period of three months from the date of the Trustee expressing in writing to the Managers the desire to retire the Managers shall have failed to appoint a new trustee within the terms of Clause 30 of the Deed;
  - (iii) if the Trustee removes the Managers pursuant to Clause 31(A) of the Deed and cannot find another manager within three months of removal;
  - (iv) if the Managers retire under Clause 31(B) of the Deed and a new manager cannot be found within three months of the notice of retirement; or
  - (v) if the Authority revokes or withdraws the authorisation of the Trust;
- (c) by the Managers by notice in writing:
- (i) if the aggregate Value of the Deposited Property shall be less than S\$5,000,000;
  - (ii) if any law shall be passed or any direction is given by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Trust;
  - (iii) if in the event of the liquidation, dissolution, amalgamation, consolidation or reconstruction of the Underlying Funds; or
  - (iv) if the Authority revokes or withdraws the authorisation of the Trust; or
- (d) by Extraordinary Resolution of a meeting of the Holders duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the said Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.

The party terminating the Trust shall give notice thereof to the other party and the Holders fixing the date at which such termination is to take effect which date shall not be less than six months after the service of such notice. In the event of a termination of the Trust for whatever reason, the Managers shall give the Authority written notice of the proposed termination at least 7 days (or such number of days as may be allowed by the Authority) before the relevant termination date of the Trust.

## **21.8 Termination of any Class of the Trust**

Each Class of the Trust may be terminated as follows:-

- (a) by the Trustee giving notice to the Managers and thereafter by giving not less than six months' notice in writing to all Holders of such Class of the Trust if any law shall be passed or any direction is given by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Class;
- (b) by the Managers in their absolute discretion by giving notice to the Trustee and thereafter by giving not less than six months' notice to all Holders of such Class of the Trust if:-
  - (i) the Value of the proportion of the relevant Deposited Property attributable to such Class shall be less than S\$5,000,000; or

- (ii) the Managers are of the view that it is not in the best interest of Holders of Units in that Class to continue the Class; or
  - (iii) there are less than 25 Holders in that Class; or
  - (iv) any law shall be passed or any direction is given by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Class;
- (c) by Extraordinary Resolution of a meeting of the Holders of that Class duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.

The party terminating any Class of the Trust shall give notice thereof to the other party and the Holders fixing the date at which such termination is to take effect which date shall not be less than six months after the service of such notice. In the event of a termination of any Class of the Trust for whatever reason, the Managers shall give the Authority written notice of the proposed termination at least 7 days (or such number of days as may be allowed by the Authority) before the relevant termination date of such Class of the Trust.

#### **21.9 Securities lending or repurchase transactions**

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

#### **21.10 Exclusion of liability**

- (a) The Trustee and the Managers shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed sealed or signed by the proper parties.
- (b) Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any transfer or form of application, endorsement or other document (sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or Joint Holder to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.
- (c) The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or

body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed, neither the Trustee nor the Managers shall be under any liability therefor or thereby.

- (d) Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degree of diligence and care required of them having regard to the provisions of the Deed.
- (e) In no event shall a Holder have or acquire any rights against the Trustee the Managers or either of them except as expressly conferred on the Holder by the Deed nor shall the Trustee be bound to make any payment to any Holder except out of the funds held by or paid to it for that purpose under the provisions of the Deed.
- (f) The Managers shall not incur any liability to or be responsible for any losses suffered or expenses incurred by the Trustee, the Holders or any other person by reason of any error of law or any matter or thing done or suffered or omitted to be done by the Managers or their employees, officers or agents in good faith hereunder in the absence of fraud or negligence of or other liability imposed by law on the Managers, or their employees, officers or agents.
- (g) The Managers shall be entitled to exercise the rights of voting conferred by any of the Deposited Property in what they may consider to be the best interests of the Holders, but neither the Managers nor the Trustee shall be under any liability or responsibility in respect of the management of the Authorised Investment in question nor in respect of any vote action or consent given or taken or not given or not taken by the Managers whether in person or by proxy, and neither the Trustee nor the Managers nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Managers or by the holder of such proxy or power of attorney under the Deed, and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Managers or by any such proxy or attorney.
- (h) Except if and so far as otherwise expressly provided in the Deed, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

- (i) Nothing in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as managers or trustees of trusts separate and distinct from the Trust.
- (j) The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Managers to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers by any two persons whose signature the Trustee is for the time being authorised by the Managers under their common seal to accept and may act on facsimile instructions given by authorised officers of the Managers (as the Managers may specify in writing to the Trustee from time to time).
- (k) The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, computer experts, lawyers or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, computer expert, lawyer or other person as aforesaid or of the Managers except where the Managers or agents are acting on behalf of the Trustee with its authority in relation to the keeping of the Register. Any such advice or information may be obtained or sent by facsimile letter or electronic mail and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such facsimile letter or electronic mail although the same contains some error or shall not be authentic.

#### **21.11 Value of Authorised Investments**

“**Value**”, except where otherwise expressly stated and subject always to the requirements of the Code, with reference to Authorised Investments which are:

- (i) deposits placed with a Bank or other financial institutions and bank bills, shall be determined by reference to the face value of such Authorised Investments and the accrued interest thereon for the relevant period;
- (ii) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available NAV per unit or share, or if no NAV is published or available, then at their latest available realisation price;
- (iii) not quoted on any Recognised Stock Exchange (other than any deposit or bank bill or unit or share in a unit trust or mutual fund or collective investment scheme referred to in paragraphs (i) and (ii) above), shall be calculated by reference to, but not limited to, the price of the investment if it is a component in a recognised bond index; or evaluated calculation from a reputable pricing vendor; or the mean of bid prices quoted by reputable institutions in the over-the-counter or telephone market at the close of trading in the relevant market on which the particular Authorised Investment

is traded; or the price of the relevant investment as quoted by a person, firm or institution making a market in that investment, if any (and if there shall be more than one such market maker, then such market maker as the Managers may designate);

- (iv) quoted on any Recognised Stock Exchange, shall be calculated firstly by reference to the official closing price (however described and calculated under the rules of the relevant Recognised Stock Exchange) and, if no official closing price is available, by the last transacted price on such Recognised Stock Exchange and, by the official closing price at the end of prior day(s) where reasonable; and
- (v) an Authorised Investment other than as described above, shall be valued in such manner and at such time or times as the Managers after consultation with the Trustee shall from time to time determine.

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

In exercising in good faith the discretion given by the proviso above, the Managers shall not, subject to the provisions of the Code, assume any liability towards the Trust, and the Trustee shall not be under any liability in accepting the opinion of the Managers, notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

Provided Further That the Trustee shall determine whether the Holders should be informed of any change in the method of determining the Value of any Authorised Investment or change in the timing of such valuation from the Valuation Point.

#### **21.12 Compulsory Realisations of Units**

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

- (a) any Holder:
  - (i) who, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
  - (ii) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance of the Managers or the Trust with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (b) any Holder whose holdings, in the opinion of the Managers:
  - (i) may cause the Trust to lose its authorised or registered status with any regulatory authority in any jurisdiction; or

- (ii) may cause the offer of the Units of the Trust, the Trust, the prospectus of the Trust, this Deed, the Managers or the Trustee to become subject to any authorisation, recognition, approval, or registration requirements under any law or regulation in any other jurisdiction; or
- (c) any Holder whose holdings, in the opinion of the Managers:
  - (i) may cause a detrimental effect on the tax status of the Trust in any jurisdiction or on the tax status of the Holders of the Trust; or
  - (ii) may result in the Trust or other Holders of the Trust suffering any other legal or pecuniary or administrative disadvantage which the Trust or the Holders might not otherwise have incurred or suffered; or
- (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or who is unable or unwilling to provide information and/or documentary evidence requested by the Managers for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks.

#### **21.13 Use of ratings issued by credit rating agencies**

Where the Managers rely on ratings issued by credit rating agencies, the Managers have established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that the Trust's investments are in line with these standards. Information on the Managers' credit assessment process will be made available to you upon request. You may request for such information by contacting the Managers at telephone number (65) 6534 4288.

#### **21.14 Liquidity risk management of the Trust**

The Managers may employ liquidity risk management tools to manage the liquidity of the Trust. Please refer to paragraphs 12.5, 15 and 21.1 of this Prospectus for information on some of the liquidity management tools that may be employed. If the liquidity risk management tools are employed, Holders may not be able to realise their Units during any suspension period, the realisation of their Units may be delayed and/or a dilution adjustment may be made to the NAV per Unit which may affect the amount of the realisation proceeds for their Units.

#### **21.15 Best execution policy**

The Managers observe a best execution policy. More information about this policy may be obtained on the Managers' website.<sup>13</sup>

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<sup>13</sup> The Manager's best execution policy is available at <https://www.schroders.com/en-sg/sg/individual/footer/order-execution/>.



## GLOSSARY

All capitalised terms and expressions used in this Prospectus which are not defined hereunder shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed.

**“Accounting Date”** means (subject to the provisions of Clause 16(C) of the Deed) the 31st day of December in each year (commencing with the 31st day of December, 1998) or (in the case of the final Accounting Period) the date on which the monies required for the distribution in respect of that period shall have been transferred to the Distribution Account.

**“Accounting Period”** means the period ending on and including an Accounting Date and commencing from the date of first offer of Units to the retail public for subscription or from the end of the preceding Accounting Period (as the case may require).

**“Accounts”** means the profit and loss accounts and balance-sheets and includes notes (other than auditors’ reports or directors’ reports) attached or intended to be read with any of those profit and loss accounts or balance-sheets.

**“Agent Bank”** means any bank appointed by the CPF Board for the purposes of the Central Provident Fund (Investment Schemes) Regulations, or such other legislation as may enacted or supplemented from time to time.

**“Authorised Investment”** means, subject to the provisions of the Code:-

- (i) currency deposits, fixed and floating rate bonds, convertible bonds, loan stock, promissory notes, certificates of deposit, commercial paper, bills of exchange, bank bills, treasury bills, all other fixed or floating debt instruments issued by corporations or governments, government-related bodies or supra-national bodies and any unit trust scheme or investment fund whose investment is primarily in currency and bonds;
- (ii) any security which is listed or is normally traded or in respect of which permission to deal is effective on a Recognised Stock Exchange;
- (iii) any security in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding twelve weeks or in respect of which the Managers are satisfied that the subscription or other transactions will be cancelled if the application is refused; and
- (iv) any other security not covered by paragraphs (i) to (iii) of this definition but approved by the Trustee.

**“Bank”** means a recognised bank or licensed institution for the purposes of the Banking Act 1970 of Singapore, as the same may be amended from time to time, and reference to “Banker” shall be construed accordingly.

**“Business Day”** means any day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for business or any other day as the Managers and the Trustee may agree.

**“CPF”** means the Central Provident Fund.

“**CPF Board**” means the Central Provident Fund Board established pursuant to the Central Provident Fund Act 1953 of Singapore, as the same may be amended from time to time.

“**CPF Contributions**” has the meaning ascribed thereto in the Regulations, as may be amended from time to time.

“**CPF Investment Account**” means an account opened by a Central Provident Fund member with an Agent Bank from which CPF Contributions deposited therein may be withdrawn for the purchase of Authorised Investments.

“**CPF Investment Guidelines**” means the investment guidelines for CPFIS Included Funds issued by the CPF Board or such other relevant authorities and as the same may be amended, modified, supplemented, re-enacted or re-constituted from time to time.

“**CPF Units**” means Units subscribed or purchased with CPF Contributions pursuant to the CPFIS Regulations.

“**CPFIS**” means the Central Provident Fund Investment Scheme (as defined in the CPFIS Regulations), as the same may be amended from time to time.

“**CPFIS Included Fund**” means any unit trust or sub-fund of a unit trust which the CPF Board or such other relevant authorities in Singapore may include under the CPFIS for investment by CPF members.

“**CPFIS Regulations**” means the Central Provident Fund (Investment Schemes) Regulations, as the same may be amended, modified, supplemented, re-enacted or re-constituted from time to time.

“**Capital Markets Services Licence**” means a licence granted by the Authority under section 86 of the SFA.

“**Cash Units**” means Units other than CPF Units or SRS Units.

“**Class**” means any class of Units in the Trust which may be designated as a class distinct from another class in the Trust as may be determined by the Managers from time to time.

“**Code**” means the Code on Collective Investment Schemes issued by the Authority, as the same may be amended from time to time.

“**Dealing Day**” means such day or days as the Managers may from time to time with the approval of the Trustee determine (considering various factors including whether the Underlying Funds are normally traded on such day(s)), but so that:-

- (i) unless and until the Managers (with the approval of the Trustee) otherwise determine, each Business Day after the date of the Original Deed (as defined in the Deed) shall be a Dealing Day; and
- (ii) without prejudice to the generality of the foregoing, if on any day which would otherwise be a Dealing Day (a) the Recognised Stock Exchange or Exchanges on which the Deposited Property having in aggregate Values amounting to at least fifty per cent. (50%) of the Value (as of the immediately preceding Valuation Point) of the Trust are quoted, listed or dealt in or are not open for normal trading, or (b) any of the Underlying Funds is not normally traded, the Managers may determine that such day shall not be a Dealing Day.

A list of expected non-Dealing Days for the Trust is available on request.

**“Dealing Deadline”** means, in relation to any Dealing Day, 5 p.m. Singapore time on that Dealing Day or such other time on such Dealing Day as the Managers and the Trustee may agree.

**“Deposited Property”** means all the assets for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the Distribution Account.

**“Distribution Account”** has the meaning ascribed thereto in Clause 16(B) of the Deed.

**“Distribution Date”** means (subject to the provisions of Clause 16(C) of the Deed) each 28th day of February commencing with the 28th day of February 1999 or such other date as the Managers may from time to time stipulate.

**“Duties and Charges”** means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Authorised Investments or otherwise, which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commission payable to agents on sales and repurchases of Units.

**“Fund”** means any unit or sub-unit or share of any unit trust or mutual fund or investment corporation managed or advised by a Schroder Company or any other manager, including but not limited to the Underlying Funds and any successor schemes thereto.

**“Gross Investment Sum”** means the aggregate amount comprising the Net Investment Sum paid or to be paid by, or received or to be received from, an applicant for the subscription or purchase of Units of any Class, together with the Preliminary Charge (if any) and any applicable Duties and Charges payable in respect thereof.

**“Holder”** means the registered holder for the time being of a Unit (which in the case of CPF Units means the nominee company of the Agent Bank) and includes all Joint Holders.

**“Joint Holders”** means such persons for the time being entered in the Register as joint holders of a Unit, who shall hold the Unit either as all Joint-All Holders or Joint-Alternate Holders.

**“Joint-All Holders”** means Joint Holders whose mandate the Managers and the Trustee shall act upon if given by all of such Joint Holders.

**“Joint-Alternate Holders”** means Joint Holders whose mandate the Managers and the Trustee shall act upon if given by either of such Joint Holders.

**“Net Investment Sum”** means the amount paid or to be paid to the Managers by an applicant for the subscription or purchase of Units, net of the Preliminary Charge and any applicable Duties and Charges payable in respect thereof.

**“Preliminary Charge”** means in the case of Class A Units, a charge upon the issue of a Unit of such amount as shall from time to time be fixed by and payable to the Managers generally or in relation to any specific or class of transaction Provided That it shall not exceed 5 per cent. of the Gross Investment Sum.

**“Recognised Stock Exchange”** means any stock exchange, futures exchange or commodities exchange of repute in the Asia-Pacific region, North America, Europe or in any such country as the Managers may select with the approval of the Trustee.

**“Schroder Company”** means Schroder Investment Management Limited, a company incorporated in the United Kingdom and a subsidiary of Schroders p.l.c., its subsidiaries and related corporations.

**“SFA”** means the Securities and Futures Act 2001 of Singapore, as the same may be amended from time to time.

**“SRS”** means the scheme referred to as the Supplementary Retirement Scheme or such other scheme as may replace or supersede the Supplementary Retirement Scheme.

**“SRS Account”** means an account opened by an investor with an SRS Operator for the purposes of investment under the SRS.

**“SRS Contributions”** means monies withdrawn from an investor’s SRS Account.

**“SRS Operator”** means any bank operating an SRS from time to time.

**“SRS Units”** means Units subscribed or purchased using SRS Contributions.

**“security(ies)”** includes any share, stock, bond, note, certificate, debenture, debenture stock, unit or sub-unit of a unit trust or mutual fund, warrant, option, securities future, stock index future, money market security and any other securities or instrument which may be selected by the Managers subject to the approval of the Trustee for the purpose of investment of the Deposited Property.

**“Switching Fee”** means the fee payable to the Managers on the switching of a Unit of any Class of the Trust in accordance with the provisions of Clause 13(N) of the Deed.

**“Switching Notice”** means a notice from a Holder requiring realisation of Units of any Class of the Trust and the issue of units of the new Trust in lieu thereof given pursuant to Clause 13(M) of the Deed.

**“Unit”** means one undivided share in a Class of the Trust.

**“Valuation Point”** in relation to any Dealing Day means the close of business of the last relevant market or such other time or date as the Managers may determine with the approval of the Trustee.

**SCHRODER MULTI-ASSET REVOLUTION**

**PROSPECTUS**

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

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**CHONG SIOK CHIAN GRACE**

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**WONG YOKE LIN MARTINA**

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**LILY CHOH CHAW LEE**

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**DIAO WEI CHIEN ROY**

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**PAUL BERNARD SIDEBOTTOM**

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**DURACK CHRISTOPHER JAMES**

**SCHRODER MULTI-ASSET REVOLUTION**

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## Schroder Multi-Asset Revolution (the “Fund”) - Class A

Product Type	Unit Trust	Launch Date	8 May 1998
Manager	Schroder Investment Management (Singapore) Ltd	Custodian	The Hongkong and Shanghai Banking Corporation Limited
Trustee	HSBC Institutional Trust Services (Singapore) Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2022	1.49%

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek long-term capital growth; and
- understand the risks involved in investing in various asset classes like equities, fixed income, property and commodities related securities.

*Further Information*  
Refer to the “Investment Objective, Focus and Approach” section of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

You are investing in a unit trust constituted in Singapore that aims to achieve long term capital appreciation through investment directly or indirectly in quoted equities and fixed income securities in global markets. The Fund will invest in multiple asset classes and will be comprised of an actively managed basket of equities, fixed income, property and commodities related securities.

It is the Manager’s present intention to invest the assets of the Fund into various sub-funds of the Schroder International Selection Fund (the “Schroder ISF”) and other collective investment schemes and exchange traded funds (collectively known as “Underlying Funds”).

**The Schroder ISF sub-funds may invest in financial derivatives for purposes other than hedging and/or efficient portfolio management in accordance with the Schroder ISF’s Luxembourg prospectus and applicable laws in Luxembourg.**

The Manager intends to declare quarterly distributions at a variable percentage per annum of the NAV per Unit on or around 31 March, 30 June, 30 September and 31 December, commencing on or around 31 March 2018. Distributions are payable 2 months from the declaration of the distributions on or around 31 March, 30 June, 30 September and 31 December respectively.

The Manager may from time to time, with the consent of the Trustee, make distributions from the capital of the Fund. Where distributions are paid out of the capital of the Fund, the NAV of the Fund will be reduced. The distribution policy set out above is subject to the Manager’s right of review.

*Refer to the “Important Information”, “Basic Information”, “Structure of The Trust”, “Investment Objective, Focus and Approach” and “Performance of the Trust” sections of the Prospectus for further information on features of the product.*

<sup>1</sup> The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at <http://www.schroders.com.sg>.

## Investment Strategy

The Manager adopts an active management approach that is focused on creating a truly diversified investment portfolio outcome for the Fund's investors.

Unlike traditional balanced funds that simply focus on tactically allocating between defensive and growth assets, depending on the risk profile of the Fund and the Manager's relative view of such asset classes, the Manager recognises that between defensive assets and growth assets, there are a range of assets that can contribute to a combination of better returns and lower risk in a portfolio. These asset classes warrant consideration.

Additionally, the Manager recognises that over time, traditional defensive and growth asset classes may behave in a similar fashion and therefore may not always provide investors with a diversified portfolio outcome. By considering a broad range of asset classes, sub-asset classes and investment styles, the Manager attempts to increase the probability of achieving the investment objective in a consistent manner, over the long term.

*Refer to the "Investment Objective, Focus and Approach" section of the Prospectus for further information on the investment strategy of the Fund.*

## Parties Involved

### WHO ARE YOU INVESTING WITH?

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

*Refer to the "The Managers" and "The Trustee and Custodian" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.*

## KEY RISKS

### WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

**The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:**

*Refer to the "Risks" section of the Prospectus for further information on risks of the product.*

## Market and Credit Risks

### You are exposed to market risk.

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

### You are exposed to credit risk.

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

## Liquidity Risks

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

**Product-Specific Risks**

**You are exposed to equity risk.**

- The Fund may invest in stocks and other equity securities and their derivatives which are subject to market risks that historically have resulted in greater price volatility than that experienced by bonds and other fixed income securities. The Fund may also invest in convertible instruments which may be converted into equity. When the price of the underlying equity exceeds the conversion price, the convertible instrument generally behaves more like an equity and will be more sensitive to changes in equity securities. When the price of the underlying equity is lower than the conversion price, the convertible instrument generally behaves more like a bond and will be more sensitive to changes in interest rates and credit spreads.

**You are exposed to interest rate risk.**

- Investments in bonds, debentures, loan stocks, convertibles and other debt instruments may decline in value if interest rates change. In general, the price or value of existing debt instruments rises when interest rates fall, and falls when interest rates rise. Interest rate risk is generally greater for investments with long durations or maturities.

**You are exposed to emerging markets and frontier risk.**

- Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

**You are exposed to financial derivatives risk.**

- **The Fund may use financial derivatives.** The use of futures, options, warrants, forwards, swaps or swap options involves increased risks. The Fund’s ability to use such instruments successfully depends on the Manager’s ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager’s predictions are wrong, or if the financial derivatives do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used the financial derivatives.

**FEES AND CHARGES**

**WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?**

**Payable directly by you**

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

Preliminary Charge (initial sales charge)	– Currently 5% for non-CPF subscriptions (maximum 5%) For CPF Units: Nil
Realisation Charge	– Nil
Switching Fee	– Currently 1% (maximum 1% and minimum S\$5)

*Refer to the “Fees and Charges” section of the Prospectus for further information on fees and charges.*

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

**Payable by the Fund from invested proceeds**

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

Management Fee/ Management Participation (a) Retained by Manager (b) Paid by Manager to financial adviser (trailer fee)	– Currently 1.25% per annum (maximum 1.75% per annum) (a) 35% to 100% of Management Fee (b) 0% to 65% <sup>2</sup> of Management Fee <sup>#</sup>  <sup>#</sup> Median Trailer Fee <sup>3</sup> = 35%
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<sup>2</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager.

<sup>3</sup> The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A Units. Institutional or accredited investors, or non-Singapore distributors are excluded in the computation of the median trailer fee whereby a trailer fee arrangement may not be applicable.



Trustee Fee	<ul style="list-style-type: none"> <li>– Currently not more than 0.05% per annum (currently not subject to any minimum amount)</li> <li>– Maximum 0.15% per annum</li> </ul>
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**Range of fees charged by the Underlying Funds into which the Fund may invest and payable by the Fund:**

Administration Fees	– Up to 0.25% per annum
Custodian Fees	– Up to 0.30% per annum
Management Fees	– Up to 1.00% per annum

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

The NAV per Unit of Class A Units is published at the Manager’s website at <http://www.schroders.com.sg> one (1) Business Day after the relevant Dealing Day and is also available from the Manager.

*Refer to the “Subscription/ Cancellation of Units”, “Realisation of Units” and “Obtaining Prices of Units” sections of the Prospectus for further information on valuation and exiting from the product.*

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

You may at any time during the life of the Fund request in writing (a “Realisation Request”) to realise all or any Units held by you, subject to the minimum holding and minimum realisation amount as stated in the Prospectus.

The realisation proceeds are paid to you within seven (7) Business Days (or such other period as may be prescribed by the Monetary Authority of Singapore) following the receipt of the Realisation Request.

Your realisation price is determined as follows:

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

The realisation proceeds that you will receive will be the realisation price per Unit of the relevant Class multiplied by the number of Units realised, less any applicable Duties and Charges. An example is as follows:

1000 Units	x	S\$1.100	=	S\$1,100
Number of Units realised		Notional realisation price (NAV per Unit of the relevant Class)		Realisation proceeds

The above example is on the assumption that there are no Duties and Charges payable.

If applicable to you as provided in the trust deed of the Fund, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form to the Manager or its appointed distributors within 7 calendar days from the date of your subscription. However, you will have to take the risk for any price changes in the NAV of the Fund since the time of your subscription.

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

For enquiries, please contact

**Schroder Investment Management (Singapore) Ltd**  
 138 Market Street, #23-01, CapitaGreen  
 Singapore 048946 Tel: +65 6534 4288  
 Website: [www.schroders.com.sg](http://www.schroders.com.sg)

\_\_\_\_\_  
 Distributor

\_\_\_\_\_  
 The Manager

## APPENDIX: GLOSSARY OF TERMS

**“Business Day”** means any day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for business or any other day as the Manager and the Trustee may agree.

**“Class”** means any class of Units in the Fund which may be designated as a class distinct from another class in the Fund as may be determined by the Manager from time to time.

**“CPF”** means the Central Provident Fund.

**“Dealing Day”** means such day or days as the Manager may from time to time with the approval of the Trustee determine (considering various factors including whether the Underlying Funds are normally traded on such day(s)), but so that:-

- (i) unless and until the Manager (with the approval of the Trustee) otherwise determine, each Business Day after the date of the Original Deed (as defined in the trust deed of the Fund) shall be a Dealing Day; and
- (ii) without prejudice to the generality of the foregoing, if on any day which would otherwise be a Dealing Day (a) the recognised stock exchange or exchanges on which the deposited property of the Fund having in aggregate values amounting to at least fifty per cent (50%) of the value (as of the immediately preceding Valuation Point) of the Fund are quoted, listed or dealt in is or are not open for normal trading, or (b) any of the Underlying Funds is not normally traded, the Manager may determine that such day shall not be a Dealing Day.

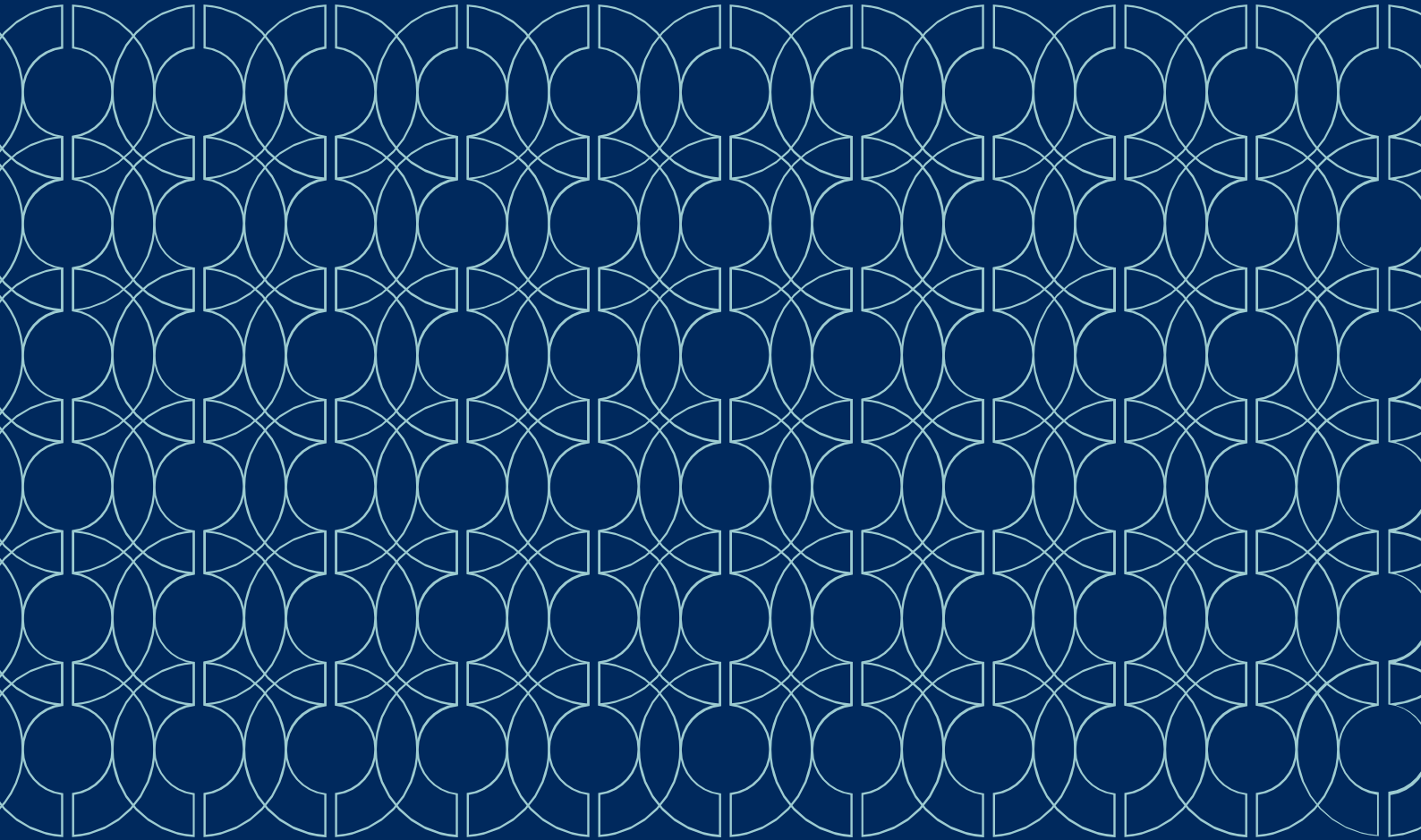
A list of expected non-Dealing Days for the Fund is available on request.

**“Duties and Charges”** means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the deposited property of the Fund or the increase or decrease of the deposited property of the Fund or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of authorised investments or otherwise, which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commission payable to agents on sales and repurchases of Units.

**“NAV”** means net asset value.

**“Unit”** means one undivided share in a Class of the Fund.

**“Valuation Point”** in relation to any Dealing Day means the close of business of the last relevant market or such other time or date as the Managers may determine with the approval of the Trustee.



**Schroder Investment Management (Singapore) Ltd**  
138 Market Street, #23-01 CapitaGreen, Singapore 048946,  
or call our Customer Help Line at 1800 534 4288