

31 March 2020

Dear investor,

Change to the sell spreads across fixed income and multi-asset funds Effective from 31 March 2020

In order to protect the interests of investors in our funds, Schroders wishes to advise that there will be changes to the sell spreads for a number of Schroders' managed funds, effective from 31 March 2020.

We advised investors on 20 March 2020 of an increase in sell spreads due to a deterioration in liquidity across bond markets resulting in higher trading costs when selling fixed income assets. We continue to review our buy/sell spreads having regard to liquidity and trading costs during this period of volatility arising from the COVID-19 pandemic. Our current review suggests an improvement in market conditions, therefore, we will be lowering the sell spreads for a number of our funds.

The new sell spreads will apply to closing unit prices from 31 March 2020 inclusive. These are set out below for your reference:

Fund Name	APIR Code	Old (%)		New (%)	
		Buy	Sell	Buy	Sell
Schroder Fixed Income Fund	SCH0028AU	0.12	0.75	0.12	0.56
Schroder Absolute Return Income Fund	SCH0103AU	0.20	0.95	0.20	0.66
Schroder Strategic Growth Fund	SCH0102AU	0.22	0.52	0.22	0.41
Schroder Real Return CPI Plus 5% Fund	SCH0047AU	0.20	0.58	0.20	0.44
Schroder Real Return CPI Plus 3.5% Fund	SCH0096AU	0.18	0.90	0.18	0.65

Trading costs in equity markets remain within the range contemplated by our existing spreads across all of our equity funds so there are no changes to spreads for our equity funds.

Please note that the buy/sell spread is a cost charged to transacting investors and is retained in the assets of a fund to protect ongoing investors from the transaction activity driven by applications and withdrawals. No part of the buy/ sell spread is paid to Schroders nor does Schroders profit from these spreads.

To view the current buy/sell spreads for all Schroders' funds, please visit our website, www.schroders.com/australia/funds/buy-or-sell-spreads.

No action is necessary as a result of this communication. If you have any questions, please contact a member of our Client Services team on 1300 136 471.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Graeme Mather', written in a cursive style.

Graeme Mather
Head of Distribution