

20 March 2020

Dear investor,

Change to the sell spreads across fixed income and multi-asset funds Effective from 20 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 20 March 2020.

Due to the volatility in investment markets arising from the COVID-19 pandemic, Schroders has undertaken a review of the costs associated with buying and selling of assets within its funds to ensure that buy/sell spreads charged on applications and redemptions continue to be reflective of current market conditions. There has been a dramatic deterioration in liquidity across bond markets resulting in higher trading costs when selling fixed income assets. The outcome of our latest review has resulted in an increase in sell spreads for a number of our funds due to rising transactions costs.

The new sell spreads will apply to closing unit prices from 20 March 2020 inclusive. These are set out below for your reference:

Fund Name (APIR)	Old (%)		New (%)	
	Buy	Sell	Buy	Sell
Schroder Fixed Income Fund (SCH0028AU)	0.12	0.12	0.12	0.75
Schroder Absolute Return Income Fund (SCH0103AU)	0.20	0.20	0.20	0.95
Schroder Global Bond Fund	0.15	0.15	0.15	1.00
Schroder Strategic Growth Fund (SCH0102AU)	0.22	0.22	0.22	0.52
Schroder Real Return CPI Plus 5% Fund (SCH0047AU)	0.20	0.20	0.20	0.58
Schroder Real Return CPI Plus 3.5% Fund (SCH0096AU)	0.18	0.18	0.18	0.90
Schroder Australian Investment Grade Credit Pool*	0.15	0.15	0.15	1.79
Schroder Global Corporate Bond Fund*	0.30	0.30	0.30	2.00
Schroder Global High Yield Bond Fund*	0.45	0.45	0.45	5.00
Schroder Higher Yielding Credit Pool*	0.20	0.20	0.20	2.00

*These Funds are available through an information memorandum.

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