Schroders

Schroder Specialist Private Equity Fund

Professional Class

Product Disclosure Statement
Issued: 12 February 2026

ARSN: 131 418 025

Issuer and Responsible Entity

Contact details

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Important information

This Product Disclosure Statement ('**PDS**') is a summary of significant information relating to the Professional Class of units in the Schroder Specialist Private Equity Fund ('**Fund**') (ARSN

131 418 025, APIR SCH0038AU) (and in this PDS, unless the context requires otherwise, references to 'Fund' are to be read as references to the Professional Class of units in the Fund). This PDS is issued by Schroder Investment Management Australia Limited ABN 22 000 443 274 ('**Schroders**', '**Responsible Entity**', '**our**', '**we**' or '**us**') as Responsible Entity for the Fund. References to 'Schroders Group' are to Schroders plc and its subsidiaries. No other fund, trust or class of units is offered in this PDS. You should read and consider all the information in this PDS before making a decision to invest in the Fund. You can download a copy of the PDS from the Schroders' website at www.schroders.com.au or request a copy free of charge by calling us on (+61) 1300 136 471.

No Schroders Group company, other than us, makes any statement or representation in this document. The information contained in this PDS is general information only and does not take into account your objectives, financial situation or needs. Before acting on the information contained in this PDS you should consider the appropriateness of the information in this PDS having regard to your objectives, financial situation and needs. You should seek financial advice tailored to your objectives, financial situation or needs.

An investment in the Fund is subject to investment and other risks, including possible delays in payment and loss of income and capital invested. Investments in the Fund are not deposits with or other liabilities of the Responsible Entity or any of its related bodies corporate, affiliates, associates or officers. Neither the Fund, Schroders, nor any of its related bodies corporate or associates, guarantees in any way the performance of the Fund, repayment of the capital from the Fund, any particular return from, or any increase in the value of the Fund. For more details on the risks, please refer to section 5 of this PDS, 'Risks of investing in the Fund.'

The offer of units in the Fund is available to persons receiving a copy, electronic or otherwise, of this PDS within Australia or New Zealand. This does not constitute an offer or invitation in any jurisdiction, or to any person, to whom it would be unlawful to make such an offer. Such investors may use this PDS for informational purposes only.

All references to dollars are in Australian dollars unless otherwise specified. Capitalised terms in this PDS are defined terms and they are listed in the Glossary section in this PDS or defined elsewhere in this PDS. Days are calendar days unless otherwise specified as Business Days.

Up to date information

The information in this PDS is up to date at the time of preparation. Certain information in this PDS may change from time to time. This includes but is not limited to potential changes which we have identified (including the latest performance of the Fund and the Fund's asset allocation information). Where we indicate to you that we will give notice of such changes, or where the updated information includes no materially adverse information, we will publish the updated information on our website, www.schroders.com.au. A paper copy of any updated information will be given, or an electronic copy made available to you without charge, upon request by contacting Schroders (see 'Contacting Schroders' at section 19 of this PDS). Where a change is considered materially adverse, we will issue a supplementary PDS or a replacement PDS.

Consents

JPMorgan Chase Bank N.A. (Sydney Branch) acts as custodian of the Fund ('**JPMorgan**') and MUFG Corporate Markets (AU) Limited acts as unit registrar for the Fund ('**MUFG CM**'). The NAV of the Underlying Fund is determined by Brown Brothers Harriman (Luxembourg) S.C.A. ('**Brown Brothers**'). Each of JPMorgan, MUFG CM and Brown Brothers have provided written consent to being named and the statements about them in the form and context in which they are included in this PDS. JPMorgan, MUFG CM and Brown Brothers were not otherwise involved in the preparation and distribution of this PDS, are not responsible for, and did not cause, the issue of this PDS, are not responsible for any particular part of this PDS or for the accuracy or completeness of any information included in it, and do not guarantee the success or performance of the Fund or the repayment of capital or any particular rate of return. None of JPMorgan, MUFG CM or Brown Brothers have withdrawn their consent before the date of this PDS.

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1. About Schroders

Schroders Investment Management Australia Limited ('**Schroders**') is the Responsible Entity and investment manager for the Fund and the issuer of this PDS. As Responsible Entity, Schroders is responsible for selecting and managing the assets and overseeing the operations of the Fund. This responsibility includes establishing, implementing and monitoring the Fund's investment objective.

Schroders has helped Australian investors achieve their objectives since 1964 through our diversified suite of actively managed investment products, which now spans both public and private markets. Our local expertise in equities, fixed income, multi-asset and alternatives, combined with our global resources, facilitates a diversity of thought to seek to assess each situation from every angle and consider the long-term impact on returns and the earth.

Schroders is part of the Schroders Group, an investment manager with over 200 years' experience which is headquartered in London and has a presence in 38 locations around the world. Schroders offers Australian investors the strength and stability of a global firm coupled with the long-term perspectives and independent thinking of a local manager.

Why Schroders?

– Stability of a global firm with strong heritage

– A diverse and experienced investment team with an independent view

– Active investment is a core aspect of our business

– We strive to put investors' interests at the heart of everything we do

For further information, please visit our website www.schroders.com.au.

About the Investment Manager of the Underlying Fund

Schroders Capital Management (Switzerland) AG ('**Schroders Capital**' or '**Investment Manager**') is an indirectly wholly owned subsidiary of Schroders plc, and the investment manager of the Schroders Group's private equity funds and mandates, including the Underlying Fund (defined below). It is a key part of the Schroders Capital business that also includes real estate, infrastructure, private debt and alternative credit.

Schroders Capital offers specialised investment solutions both regionally and across market segments, using primary, secondary and co-investments. Its client base comprises institutional investors such as pension funds, insurance companies, endowments, family offices and other financial institutions worldwide. Many of Schroders Capital's clients are repeat, long-term investors with whom Schroders Capital has developed a role as a trusted partner for private market investing. Schroders Capital has private equity professionals based in offices in Zurich, Frankfurt, London, Jersey, New York, Beijing, Shanghai, Seoul and Singapore.

Schroders Capital is authorised as an asset manager of collective investment schemes and distributor of Schroders Capital's funds by the Swiss Financial Market Supervisory Authority ('**FINMA**') and is registered with the US Securities and Exchange Commission ('**SEC**') as an Investment Adviser under the Investment Advisers Act of 1940. Schroders Capital is also a member of the Swiss Private Equity & Corporate Finance Association ('**SECA**') and the German Bundesverband Alternative Investments ('**BAI**').

Schroders Capital is responsible for portfolio management of Schroders Capital Semi-Liquid Global Private Equity (previously named Schroder GAIA II Global Private Equity) ('**Underlying Fund**') as delegated to it by Schroder Investment Management (Europe) S.A. ('**SIM Europe**'). SIM Europe is the management company for the Underlying Fund which is an open-ended investment company organised as a 'société anonyme' under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ('**SICAV**') and is an alternative investment fund within the meaning of article 1 (39) of the Luxembourg 2013 Law on alternative fund managers. SIM Europe is a wholly-owned subsidiary of Schroders plc. The Fund invests substantially all of its assets into the Underlying Fund.

2. At a glance

Fund details		
Fund name	Schroder Specialist Private Equity Fund ('**Fund**')	
ARSN	131 418 025	
APIR	SCH0038AU	
Responsible Entity	Schroder Investment Management Australia Limited (ACN 000 443 274) (**Responsible Entity**)	
Minimum investment	$20,000, which may be waived at Schroders' absolute discretion. The minimum additional investment is $5,000. The Fund has a minimum balance requirement of $20,000.	
Investment details		
Fund description	The Fund is an Australian unit trust registered with the Australian Investments and Securities Commission (**ASIC**) as a managed investment scheme (ARSN 131 418 025) under the *Corporations Act 2001* (Cth) (**Corporations Act**). This PDS applies to the Professional Class of units in the Fund. Where different classes of units are on issue in the Fund, all rights and entitlements of each class are only to the rights, entitlements, obligations, assets, liabilities and other amounts referable to that class and to no other class of units. The Responsible Entity may issue further classes of units in the Fund under a separate product disclosure statement. As at the date of this PDS, there are no classes of units on issue in the Fund other than the Professional Class. The Fund is a feeder fund and will invest substantially all of its assets in the Underlying Fund (defined below).	**Further information is outlined in Section 3 – 'Fund description'**
Underlying Fund	The Underlying Fund is the Schroders Capital Semi-Liquid Global Private Equity, an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ('**SICAV**').	**Further information is outlined in Section 3 – 'Fund description'**
Investment Manager of the Underlying Fund	Schroders Capital Management (Switzerland) AG1 is the investment manager of the Underlying Fund (**Investment Manager).** The Investment Manager is an indirectly wholly-owned subsidiary of Schroders plc, and the investment manager of the Schroders Group's private assets funds and mandates.	**Further information is outlined in Section 3 – 'Fund description'**
Investment return objective of the Fund[1]	To provide capital growth over five to seven years by providing exposure to a diversified range of private equity investments worldwide by investing substantially all of its assets in the Underlying Fund. **There is no guarantee that the Fund's investment objective will be achieved.**	**Further information is outlined under the 'Fund description' section of this PDS.**

Type of investment	The Fund is a feeder fund and will invest substantially all of its assets directly in the Underlying Fund. The Underlying Fund invests in equity interests of companies that are not listed on stock exchanges (private equity) and that are seeking to actively build, grow or transform. The Underlying Fund's assets will be allocated on an opportunistic basis across private equity strategies, regions, sectors and industries. The Underlying Fund may access investment opportunities through primary and secondary investments in private equity funds and direct investments or co-investments. The Underlying Fund may invest up to 100% of its total net assets in unlisted securities (and may also continue to hold those positions after those securities are listed, if applicable). However, no more than 10% of its total net assets may be invested in any single company (assessed as at the time of investment). The Underlying Fund will not invest more than 25% of its total net assets in funds or companies managed by any single investment manager (assessed as at the time of investment). The Underlying Fund may, on an exceptions basis, hold up to 100% of its assets in cash. The Underlying Fund has access to a credit facility of up to 30% of NAV. This would be used in periods of intense market stress to avoid having to make forced asset sales to meet capital calls on commitments from the underlying portfolio of the Underlying Fund. The credit facility would not be used to fund investor redemptions out of the Underlying Fund.	
Investment category	Private equity	
Suitability	This product should only be distributed to consumers receiving financial advice. This product is **likely** to be appropriate for a consumer seeking capital growth. This product focuses on taking equity interests of companies that are not listed on the stock exchanges (private equity) therefore should only be considered for up to 10% of a portfolio allocation where the consumer has a high risk and return profile and is prepared to hold their investment for the long term. This product may experience very high levels of volatility and does not pay any income distributions. This product also has limits on your ability to redeem so is unlikely to be suitable for a consumer seeking capital preservation or income and for those consumers that have a low risk and return profile and/or a short investment timeframe. For more information about the risks associated with investing in the Fund, please refer to section 4.	**Further information is outlined under the 'Investor suitability and target market determination' section of this PDS.**
Minimum suggested holding period	At least 5 years. Please note this is a guide only, not a recommendation.	
Management style[2]	Active investing	
Hedging	Unhedged	
Gearing	The Fund does not intend to borrow. The Underlying Fund does not use gearing as a part of its strategy however it has access to a credit facility of up to 30% of Net Asset Value to help it manage through periods of intense market stress where distributions from the underlying companies in the investment portfolio reduce to a level at which the Underlying Fund cannot meet the capital calls on commitments from the underlying portfolio.	

Liquidity	The Fund will invest substantially all of its assets into the Underlying Fund. The assets of the Underlying Fund are generally expected to be illiquid. This means that, typically, the assets cannot be easily sold, exchanged or converted into cash without a substantial loss in value or significant delay. Because the Fund's investment mandate is fulfilled by holding shares in the Underlying Fund, its liquidity imposes a number of restrictions on withdrawals. The Fund relies on being able to withdraw or otherwise realise its interests in the Underlying Fund to meet withdrawal requests from unitholders. As such, the Constitution provides that the Responsible Entity of the Fund has up to 36 months to satisfy a withdrawal request in certain circumstances. Unitholders should take this into consideration when deciding whether to invest in the Fund.	**Further information is outlined under the 'How to withdraw from the Fund' section of this PDS.**
Distribution frequency	None. No cash distributions are paid, however, taxable income (if any) will be attributed to unitholders each year in accordance with the applicable tax laws.	**Further information is outlined under the 'Distributions' and 'Taxation' sections of this PDS.**
Risk level	High	

Risks of investing in the Fund	Investment in the Fund should be considered as high risk. The Fund is designed only for informed and sophisticated investors who can bear the economic risks of the loss of their investment in the Fund and who have a limited need for liquidity in their investment. Therefore, the Fund is not suitable for investors who depend on the short-term availability of their funds. There can be no assurance that the Fund will achieve its investment objective or that any investor will get the money they have invested back. The main risk factors which may affect the returns of the Fund include: • Risks arising from the nature of investments in private equity – Investments in private equity involve a higher level of risk and uncertainty than investments in listed securities. These risks stem from investing in early-stage or less-established companies, limited operating histories, lack of established markets or business models, potential reliance on small group of managers, and possible restructuring situations. Forecasts of future growth and value may be subject to significant uncertainty. • Investments in private equity funds and funds of private equity funds -The Underlying Fund may invest in private equity funds, including funds of private equity funds, which may be domiciled in jurisdictions with limited or no regulatory oversight. The absence or inefficiency of regulatory supervision, as well as flexible investment and diversification guidelines in these jurisdictions, may expose unitholders to increased risk. In addition, unitholders will bear, indirectly, the management and performance fees charged by underlying funds—these fees may be incurred even if the Fund delivers negative or zero performance. • Liquidity risk of private equity investments - Private equity investments are typically illiquid and should be regarded as medium to long-term in nature. Unlisted investments may be difficult to realise or sell, and there may be no secondary market for private equity interests. The timing and value of exit strategies are uncertain and may be adversely affected by market or economic conditions. • Liquidity risk of the Underlying Fund structure - The Underlying Fund's directors have wide discretion to restrict or suspend withdrawals, which may limit the Fund's ability to redeem its holdings and, in turn, the ability of investors to withdraw from the Fund. Withdrawals are generally limited to 5% of Underlying Fund NAV per quarter unless waived by the directors. In periods of market stress or illiquidity, additional restrictions, suspensions, or pricing adjustments may be imposed, potentially adversely affecting investors' access to their capital. • Valuation risk - Valuation of unlisted investments may be complex, with potential lack of reliable pricing references leading to greater uncertainty in determining fair values compared to listed assets. Withdrawals from the Underlying Fund are processed based on the Investment Manager's in-house valuations, which may differ from market valuations should a liquid market for such assets exist. • Investment selection risk - Performance is dependent on the Investment Manager's ability to identify and execute successful investment opportunities. There is a risk selected investments may not meet expectations, despite the Manager's knowledge and processes. • Investment specific risk - The value of individual investments may decline due to factors specific to the underlying company, such as management changes, operational issues, product recalls, distribution challenges,	**Further information is outlined under the 'Risks of investing in the Fund' section of this PDS.**

	or shifts in investor confidence or business environment. These risks may negatively impact overall Fund performance. • Gearing risk - The Fund itself does not borrow, but the Underlying Fund can access credit up to 30% of its Net Asset Value to manage liquidity needs. Underlying investments may also be leveraged, which increases potential volatility and risk of loss when markets are stressed. • Currency risk– investments in foreign currencies may fluctuate in value against the Australian Dollar as the Fund is unhedged • Settlement risk - Investments may settle outside established clearing systems, increasing exposure to operational, technical or jurisdictional risks, including potential for delayed or failed settlements. • Market risk – broader market events (e.g. political, economic, technological change or crisis) may adversely affect investment values • Business, legal and tax risks – investments may be exposed to uncertain or changing regulations, tax regimes, and accounting standards, possibly reducing returns • Conflicts of interest risk - Actual or perceived conflicts may arise involving the Investment Manager, its agents, related parties or service providers. Policies are in place to identify and manage these conflicts, but residual risks may remain. • Cyber security risk - Holdings and investor information are maintained electronically and may be exposed to cyber threats, potentially resulting in financial loss or operational disruption. • Fund risk - Changes in investment team, fees, or Fund closure may affect the investment outcome. Forwards or withdrawals by other investors may impact Fund returns and distributions. A concentrated portfolio may result in increased volatility. • Negative Screening risk - the way terms and negative screening are defined may result in investor expectations differing from the Fund's actual approach. Further information about the risks of investing in the Fund is outlined in section 4 of this PDS.	
Fees and other costs		
Fees when your money moves in or out of the Fund	Nil	**Further information is outlined under the 'Fees and costs' section of this PDS.**
Management fees and costs[3]	The management fees and costs of the Fund are estimated to be **2.35% p.a.** of the net asset value ('**NAV**') of the Professional Class of units in the Fund which comprises of the following components: – An estimated management fee: 1.48% p.a. of the NAV of the Professional Class of units in the Fund – Indirect costs: estimated to be 0.87% p.a. of the NAV of the Professional Class of units in the Fund – Expense recoveries: estimated to be 0% p.a. of the NAV of the Professional Class of units in the Fund	

Interposed vehicle performance fee[4]	Neither Schroders nor Schroders Capital charges a performance fee in respect of the Professional Class of units in the Fund or the Underlying Fund. However, the Underlying Fund may invest in interposed vehicles (such as other funds managed by third party private equity managers) which may charge performance fees, which will be borne indirectly by the Fund. Schroders is required to estimate the interposed vehicle performance fees based on the average of the actual amounts incurred by the Fund using the methodology set out in section 6, 'Fees and other costs'. In accordance with this requirement, Schroders estimates that the interposed vehicle performance fees were 0.07% p.a. of the NAV of the Fund. Potential investors should be aware that the interposed vehicle performance fees are typically incurred later in the life of those vehicles. The actual interposed vehicle performance fees incurred may be higher in future, depending on the returns generated by those interposed vehicles. Past performance is not a reliable indicator of future performance.	
Fund valuations		
Net asset value	The NAV of the Professional Class of Units in the Fund is a reflection of the value of that class of Units in the Fund. The NAV is calculated by deducting the liabilities from the aggregate value of the assets. The NAV per unit is derived by dividing the NAV by the number of units on issue in the Professional Class of units in the Fund. The NAV and NAV per unit will ordinarily be calculated monthly and be available 22 Business Days after month end.	**Further information is outlined under the 'Additional Fund information' section of this PDS.**
Entering and exiting the Fund		

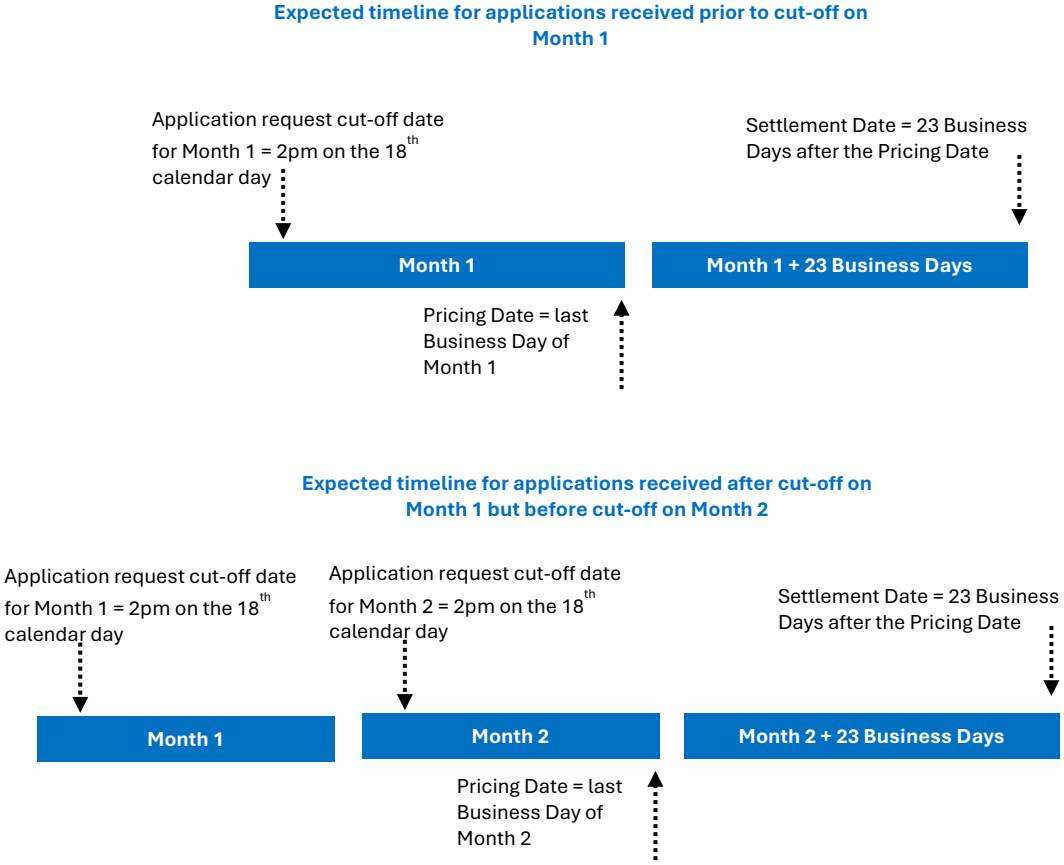
Applications

Applications are processed monthly. All applications and application monies received before the cut-off time of 2pm Sydney time on the 18th calendar day of each month (or, where that day does not fall on a Business Day, 2pm Sydney time on the preceding Business Day) will be invested as at the end of that month. Units are typically issued within 23 Business Days after the end of the month, meaning it may take up to or over six weeks to receive confirmation of your investment. The process timeline for direct applications is given in the diagram below.

If your application is not received by the cut-off time, your application will be processed the following month. Pursuant to relief granted by ASIC, application monies that have been received but are not able to be invested into the Underlying Fund will be held in an interest bearing bank account for up to 90 days before the units are issued (starting on the day on which the money was received), or the monies will be returned to you after this time.

If you are investing through a platform such as an IDPS or IDPS like platform then confirmation of your application request will be sent to the operator of that platform, not to you directly. In addition to reading this PDS, indirect investors should read their platform operator's offer document, which explains the communications an indirect investor can expect to receive from the platform operator.

For example, if an application is received and accepted before 18 January (or the preceding Business Day of 18 January falls on a weekend), the Pricing Date will be calculated as at the last Business Day in January and Units will be issued generally within 23 Business Days after the end of January.



Withdrawals Quarterly.

While the Fund is liquid, withdrawals are generally processed quarterly on the last Business Day in March, June, September and December (**Withdrawal Date**). Withdrawal requests must be received by 2pm Sydney time on the last Business Day of the calendar quarter prior to the applicable Withdrawal Date (**Withdrawal Cut-Off**). If we receive your withdrawal request after the Withdrawal Cut-Off, your request will be processed on the next available Withdrawal Date.

Given the time taken to calculate the monthly NAV, settlement of redemption proceeds will typically occur 23 Business Days after the end of the quarter following the submission of a withdrawal request.

Additionally, the Constitution provides that the Responsible Entity has up to 36 months to satisfy a withdrawal request that it has accepted in certain circumstances.

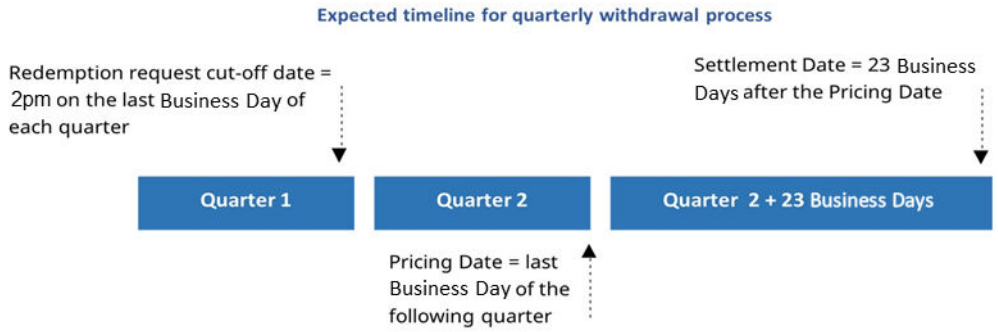
Investors should note that the ability to redeem from the Fund is not guaranteed and may be subject to restrictions, including:

- prevailing market conditions;
- inflows and outflows to the Fund;
- the volume of withdrawal requests received; and
- the fund's ability to redeem its interests in the Underlying Fund.

Net withdrawals out of the Underlying Fund are limited to no more than 5% of its NAV per calendar quarter. If this limit is exceeded, any withdrawal request made by the Fund in respect of its interests in the Underlying Fund may not be satisfied in full in any given quarter. Such requests will be pro-rated and any unsatisfied portion will be cancelled. This restriction may in turn affect the processing of withdrawal requests by the Fund.

In addition, in extraordinary market or economic circumstances, a Special Dealing Procedure may be implemented by the Underlying Fund (described in more detail in Section 6 of the PDS) , which could limit withdrawals out of the Fund to once a year on a designated Special Redemption Day. Further details are provided in Section 6 of this PDS.

The expected timeline for withdrawals is given in the diagram below.



For example, a redemption request received before the cut-off on the last Business Day in January will be priced as at the last Business Day in June and redemption proceeds generally be paid out within 23 Business Days of the end of June.

If you are investing through a platform such as an IDPS or IDPS like platform then confirmation of your redemption request will be sent to the operator of that platform, not to you directly.

In addition to reading this PDS, indirect investors should read their platform operator's offer document, which explains the communications an indirect investor can expect to receive from the platform operator.

The Responsible Entity may reject applications for units in its absolute discretion and may in certain circumstances limit or suspend withdrawals from the Fund in accordance with the Constitution.

Reporting and contact details		
Reporting	Confirmation of applications/withdrawals, periodic transaction statements, distribution summary, annual tax statement, fund report and financial report.	**Further information is outlined under the 'Keeping you informed' section of this PDS.**
Contact details	**Website:** www.schroders.com.au **Telephone:** Client Services (9am – 5pm EST): (+61) 1300 136 471 **Email:** SIMAL@schroders.com	

[1]Further information on the investment objective, strategy and benefits of the Fund are outlined under 'Fund description' in section 3 of this PDS.
[2]Active: This means that the Investment Manager of the Fund regularly makes decisions about buying and selling investments of the Fund.
[3]Management fees and costs: This represents the management fee (which includes any normal operating expenses incurred by the Fund as these are paid out of the management fee), estimated expense recovery and estimated indirect costs. Fees charged by Schroders are inclusive of GST less any RITC entitlement, where applicable. See the 'Fees and other costs' section of this PDS for further details. Schroders may rebate or reduce the management fee at its discretion where permitted by law.
[4]Schroders' estimate of the interposed vehicle performance fees is based on the average fee incurred by the Fund calculated using the methodology set out in section 6 Fees and other cost. Past performance is not a reliable indicator of future performance and the performance fee will be based on the performance of the interposed vehicles over the relevant period. See the 'Fees and other costs' section of this PDS for further details.

3. Fund and Underlying Fund description

Fund structure

The Fund is an Australian unit trust registered with ASIC as a managed investment scheme (ARSN 131 418 025) under the Corporations Act.

This PDS applies to the Professional Class of units in the Fund. Investors hold units in the Professional Class of units in the Fund, which represent their beneficial interest in the assets held by this class, but do not give an interest in any particular asset held by the Fund or the Professional Class of units in the Fund. Where different classes of units are on issue in the Fund, all rights and entitlements of each class are only to the rights, entitlements, obligations, assets, liabilities and other amounts referable to that class and to no other class of units. The Responsible Entity may issue further classes of units in the Fund under a separate product disclosure statement. As at the date of this PDS, there are no classes of units on issue in the Fund other than the Professional Class.

Investment structure

The Fund is a feeder fund and aims to achieve its investment objective (see below) by investing substantially all of its assets in the Schroders Capital Semi-Liquid Global Private Equity, an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable (**Underlying Fund**). The Fund also holds some cash and cash equivalents.

Investment return objective of the Fund

The investment objective of the Fund is to provide capital growth over five to seven years by providing exposure to a diversified range of private equity investments worldwide by investing in the Underlying Fund.

In acquiring units in the Fund, investors should acknowledge that the success of the Fund is dependent on the success of the Fund's investment in the Underlying Fund (and the Underlying Fund's underlying investments). Neither the Fund nor the Underlying Fund may be successful in achieving their investment objectives. Investment strategy of the Underlying Fund

The Underlying Fund will make private equity investments (directly and indirectly) in entities that are seeking to actively build, grow or transform. The Underlying Fund aims to provide diversified exposure by allocating its assets on an opportunistic basis across private equity strategies, regions, sectors and industries. The Underlying Fund intends to access its targeted investment opportunities through primary and secondary investments, and direct/co-investments, although especially in the early years of the Underlying Fund, focus will be greatest on secondary investments and co-investments. Refer to 'Asset classes' below for further information on primary, secondary and co-investments.

The Underlying Fund intends to make investments to obtain exposure to a range of private equity strategies, including:

- **Venture capital**– providing seed capital to companies at an early stage of development (venture capital)
- **Growth capital**– providing follow-on or expansion financing to companies in their development stage
- **Buyout**– management or leverage buy-outs of mature companies
- **Special situations**– providing financing to companies which are undergoing special situations such as restructuring

The Underlying Fund seeks to be global with a focus on Europe and North America, an additional allocation to Asia and a small opportunistic allocation to other world regions.

Flexibility in targeting the best investment opportunities

The Underlying Fund aims to use its flexibility to allocate capital across categories, strategies, regions, types of investments and industries, to target those investment opportunities that, at any one time, based on the Investment Manager's assessment, are most attractive.

A regular top-down assessment of relevant private equity segments is conducted, where segments are defined by the different combinations of regions and strategies. The top-down assessment includes several criteria, including, most importantly, the analysis of the capital demand/ supply situation of each segment. The bottom-up selection of opportunities follows the Investment Manager's established selection processes for primary, secondary and direct/co-investments and takes into account the specific investment criteria of the Underlying Fund.

The Underlying Fund intends to invest in portfolio companies through and alongside specialised fund managers that take an active ownership role in these companies. It intends to invest with fund managers that have the financial, strategic and operational capabilities to develop the underlying portfolio companies accordingly. The Underlying Fund aims to emphasise control position investments and control position strategies as well as minority positions and minority position investment strategies where, individually or as a group, institutional investors have a strong influence on the development of the portfolio companies. In addition, the Underlying Fund may invest in other minority positions and other minority position strategies in areas identified as particularly attractive investment opportunities.

Asset classes and investment ranges

Expected allocation ranges

While the Underlying Fund has flexibility in relation to the allocation of capital across strategies, regions and types of investments, the Investment Manager's current expectations on the allocation of the investment portfolio of the Underlying Fund as at the date of this PDS are set out in the table below.[1]

Asset allocation	Investment ranges
Estimated geographic allocation ranges	
Europe	30% to 50%
North America	30% to 50%
Asia/Others	10% to 30%
Estimated target allocation by strategy	
Buyouts[2]	70% to 90%
Venture/growth	10% to 30%
Estimated target asset allocation by private equity segment	
Cash	10% to 20%
Co-investments and direct deals	30% to 50%
Secondaries	30% to 50%
Primaries	0% to 20%
Other private equity[3]	0% to 10%

[1]Allocation ranges expressed as a percentage of the Underlying Fund's invested portfolio. Target allocations are indicative only and considered at the time of making an investment. The Underlying Fund's portfolio will not be rebalanced if it later moves outside of target allocations (for example, through changes in the value of existing investments).

[2]The core focus is on portfolio companies with an enterprise value of c. US$200 million to c. US$1 billion (or equivalent in target company currency).

[3]Other private equity refers to private equity like investments including vehicles managed by firms generally recognised as private equity firms.

Investment restrictions

The Underlying Fund may invest up to 100% of its total net assets in unlisted securities (and may also continue to hold those positions after those securities are listed, if applicable). However, no more than 10% of its total net assets may be invested in any single company (assessed as at the time of investment). The Underlying Fund will not actively invest more than 25% of its total net assets in funds or companies managed by any single investment manager (assessed as at the time of investment). The Underlying Fund may make use of pooled investment vehicles or other special purpose vehicles to access investments. The Underlying Fund may, on an exceptions basis, hold up to 100% of its assets in cash.

Asset classes

Primary investments

Primary investments are interests or investments in newly established private equity funds. Most private equity groups raise new funds only every two to four years, and many top-performing funds may be closed to new investors. Because of the limited windows of opportunity for making primary investments in particular funds, strong relationships with leading firms are highly important for primary investors.

Primary investors subscribe for interests during an initial fundraising period, and their capital commitments are then used to fund investments in several individual operating companies (typically ten to thirty) during a defined investment period. The investments of the fund are usually unknown at the time of commitment and investors typically have little or no ability to influence the investments that are made during the fund's life. Because primary investors must rely on the expertise of the fund manager, an accurate assessment of the manager's capabilities is essential for investment success.

Primary investments typically exhibit a value development pattern, commonly known as the 'J-curve'', in which the net asset value typically declines moderately during the early years of the fund's life as investment-related fees and expenses are incurred before investment gains have been realised. As the fund matures and portfolio companies are sold, the pattern typically reverses with increasing net asset value and distributions. Primary investments are usually ten to twelve years in duration.

Secondary investments

Secondary investments are interests in either (i) a GP-led transaction, where a private equity fund manager initiates a process to sell assets from an existing fund to a new fund they manage, thereby extending the investment period and allowing more time to maximize the value of those assets or (ii) existing private equity holdings that are acquired in privately negotiated transactions, typically after the end of the private equity fund's fundraising period, allowing investors to buy into established portfolios.

Secondary investments play an important role in a diversified private equity portfolio. Because secondary investments allow immediate deployment of capital, secondary investments may exhibit little or none of the 'J-curve' characteristics associated with primary investments. In addition, secondary investments typically provide earlier distributions than primary investments, and may also provide valuable arbitrage opportunities for sophisticated investors. The ability to source and value potential investments is crucial for success in secondary investing, and the nature of the process typically requires significant resources. As a result, generally only very large and experienced investors are active secondary market participants.

Direct investments or co-investments

Direct investments generally involve taking an interest in securities issued by an operating company. Such investments are typically made alongside a lead investor and are often structured such that the investor group collectively holds a controlling interest. In the context of private equity fund investors, direct investments are also often referred to as co-investments.

In contrast to traditional private equity fund investments (which require a commitment to a largely unknown portfolio), direct investments represent opportunities to invest in specific situations involving particular companies and industries. Accordingly, investors can benefit from the sourcing, negotiation and structuring skills of the lead investor, while maintaining the ability to independently analyse each investment opportunity.

Direct investments can also represent excellent value for private equity investors. When offering direct investment opportunities, lead investors may not levy the management fees or performance-based fees or allocations that are charged when the same investments are made through a fund (although such terms are typically reserved for large institutional investors with existing relationships). For investors that have access, direct investments can help to build a diversified portfolio at a lower cost than traditional fund investments and, by eliminating a fee layer, usually at a significantly lower cost than funds of funds.

Investor suitability and target market determination

In accordance with our 'design and distribution' obligations under Part 7.8A of the Corporations Act, we have considered the design of the Fund (including its key attributes) and determined an appropriate target market for the Fund – that is, a class of investors for whom the Fund, including its key attributes, we consider would likely be consistent with their likely objectives, financial situation and needs. These considerations are documented in a Target Market Determination (**'TMD'**) for the Fund, and a summary of our determination is set out in the PDS for the Fund.

A copy of the current TMD for the Fund is available on the Schroders website www.schroders.com.au. Copies of historical TMDs can also be obtained by contacting Schroders at the address specified in the 'Contacting Schroders' section of this PDS.

We may from time to time seek information from individual investors to ensure that the Fund is distributed in accordance with its TMD or to otherwise fulfil our obligations under the DDO Regime.

Liquidity

The Fund will invest substantially all its assets in the Underlying Fund, which will be exposed to assets which are generally expected to be illiquid. This means that, typically, the assets cannot be easily sold, exchanged or converted into cash without a substantial loss in value or significant delay. The Underlying Fund imposes a number of restrictions on withdrawals. The Fund relies on being able to withdraw or otherwise realise its interests in the Underlying Fund to meet withdrawal requests from unitholders.

The Fund is expected to be a 'liquid' scheme, as that term is defined in section 601KA of the Corporations Act, as Schroders reasonably expects that the property of the Fund can be realised for its market value within the period specified in the Constitution for satisfying withdrawal requests, being a period of up to 36 months in certain circumstances. Unitholders should take this into consideration when deciding whether to invest in the Fund.

Investors should note that their ability to redeem units is dependent on the Fund's ability to redeem its interests in the Underlying Fund.

4. Risks of investing in the Fund

It is important to understand the risks associated with investing in the Fund. The nature of investment markets is such that the return on investment markets, as well as individual investments, can vary significantly and future returns are unpredictable. In the event that any of the risks (including those described on the following pages) eventuate then they may affect the value of the Fund's assets and hence unit prices. Different types of investments perform differently at different times and have different risk characteristics and volatility.

The risks of and return on investments will be influenced by a variety of factors, including many outside the control of Schroders, such as domestic and international markets, economic conditions, political climates, interest rates and inflation.

The Fund should be considered a high risk investment. It is not intended as a complete or standalone investment program. The Fund is designed only for informed and sophisticated investors who can bear the economic risks of the loss of their investment in the Fund and who have a limited need for liquidity in their investment. The Fund is designed as a medium to long-term investment and therefore is not suitable for investors who depend on the short-term availability of their funds. There can be no assurance that the Fund will achieve its investment objective or that any investor will get the money they have invested back.

The Fund will invest all or substantially all of its assets in the Underlying Fund. Consequently, the risks of investing in the Underlying Fund will, by virtue of the Fund's structure, be risks of investing in the Fund.

Underlying Fund risks

The main risk factors which may affect the returns of the Underlying Fund include:

Risks arising from the nature of investments in private equity

Private equity investments typically display uncertainties which do not exist to the same extent in other investments (e.g. listed securities). Private equity investments may be in entities which have only existed for a short time, which have little business experience, whose products do not have an established market, or which are faced with restructuring etc. Any forecast of future growth in value may therefore often be encumbered with greater uncertainties than is the case with many other investments.

While private equity investments offer potentially significant capital returns, funds and companies may face business and financial uncertainties. There can be no assurance that their use of the financing will be profitable to them or to the Underlying Fund. Investing in private equity and venture capital funds and unlisted companies entails a higher risk than investing in companies listed on a recognised stock exchange or on other regulated markets. This is in particular because of the following circumstances:

- The Underlying Fund may invest directly and indirectly in less established companies, which may not yet be profitable, which may subject it to a greater risk of loss. Such companies do not have any prior operating history. There can be no assurance that the managers of such companies will be able to meet their objectives or that such investments completed by the Underlying Fund will provide returns commensurate with the risk of investing in such companies
- The Underlying Fund's co-investments may afford it only limited rights as a shareholder and, as a result, it may be unable to protect its interests in such investments. In addition, in certain private equity funds in which the Underlying Fund may invest, other investors may be able to vote to cause a liquidation of such fund at a time when the Underlying Fund would not have so voted
- Unlisted companies are often highly dependent on the skills of a small group of managers/directors. These companies often have limited resources

An investment in the Fund should be thought of as a medium to long-term investment meaning it should be held for at least 5 years.

Investments in private equity funds and funds of private equity funds

The Underlying Fund is permitted to invest in private equity funds and funds that invest in private equity funds established in jurisdictions where no or limited supervision is exercised on such funds by regulators. Further, the efficiency of any supervision may be affected by a lack of precision of investment and risk diversification guidelines applicable to, and the flexibility of the investment policies pursued by, such funds.

This absence of supervision by regulators in respect of such funds may result in a higher risk for unitholders.

Unitholders in the Fund will bear indirectly the management and advisory fees, including performance fees if any, charged by the investment managers of the various private equity funds, funds of private equity funds and listed private equity investments in which the Underlying Fund invests.

It is possible that, even at times when the Fund has a negative or zero performance, the Fund will, indirectly, bear performance fees levied within the various private equity funds, funds of private equity funds and listed private equity investments in which the Underlying Fund invests.

Liquidity risk of private equity investments

Private equity investments are often illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities).

Securities or other financial assets that the Underlying Fund may invest into may be difficult to sell. The eventual liquidity of all investments will depend on the success of any realisation strategy proposed. Such strategies could be adversely affected by a variety of factors. There is a risk that the Underlying Fund may be unable to realise its investment objectives by sale or

other disposal at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on disposals. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposal of an investment.

It may be difficult to dispose of investments made in unlisted companies. A realisation of investments in unlisted companies may be achieved by way of public offerings or sales to joint venture partners, strategic partners or other investors. However, any realisation of the investment of the Underlying Fund in a company may require the agreement of other shareholders in the company, or the consent of the board of directors of the company, or the approval of the relevant authorities. The timing and profitability of the exit strategy for direct investments can be negatively affected by external economic factors beyond the control of the Underlying Fund, the Investment Manager or Schroders.

There is no established secondary market for private equity investments or interests in private equity funds and although there has been an increasing volume of secondary investment opportunities in recent years, no liquid market has developed nor is one expected to develop.

Liquidity risk of the Underlying Fund structure

The directors of the Underlying Fund ('**Directors**') have broad discretion to cease the withdrawal of shares in the Underlying Fund. Any restriction will directly limit the ability of the Fund to redeem the interests it holds in the Underlying Fund.

Net withdrawals out of the Underlying Fund will be limited per calendar quarter to 5% of the Underlying Fund NAV at the end of the preceding quarter unless the Directors waive such restriction either partially (by determining a higher percentage) or in its entirety.

Where the Fund is unable to withdraw its interests in the Underlying Fund or is restricted in the amount it may withdraw, it is likely that the Responsible Entity will not accept withdrawal requests (or will not accept withdrawal requests in full) and accordingly this will limit the ability of investors to withdraw from the Fund.

During situations of illiquidity, volatility or abnormal market conditions the Underlying Fund may invoke a 'Special Dealing Procedure' which may result in applications and withdrawals being suspended and adjustments to application and withdrawal prices to reflect volatile or uncertain asset prices. This may have a materially adverse effect on the Fund if the Fund intends to make an application or withdrawal during a Special Dealing Procedure.

Suspensions or deferral risk

The Directors have broad discretion to cease the withdrawal of interests in the Underlying Fund. Any restriction in the Underlying Fund will directly limit the ability of the Fund to redeem the interests it holds in the Underlying Fund.

Net withdrawals out of the Underlying Fund will be limited per calendar quarter to 5% of the Underlying Fund NAV at the end of the preceding quarter unless the Directors waive such restriction either partially (by determining a higher percentage) or in its entirety.

During situations of illiquidity, volatility or abnormal market conditions the Underlying Fund may invoke a 'Special Dealing Procedure' which may result in applications and withdrawals being suspended and adjustments to application and withdrawal prices to reflect volatile or uncertain asset prices. This may have a materially adverse effect on the Fund if the Fund intends to make an application or withdrawal during a Special Dealing Procedure.

The Underlying Fund may suspend or defer the calculation of the Net Asset Value of the Underlying Fund and/or the issue and redemption of any shares in the Underlying Fund, or any other fund that the Underlying Fund invests in ('**Sub-Fund**'):

(A) during any period when any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Underlying Fund's investments of the relevant Share Class for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

(B) if for any reason the prices of any investment owned by a Sub-Fund cannot be reasonably, promptly or accurately determined; or

(C) during any period when the determination of the net asset value per share of and/or the redemptions in the underlying investment funds representing a material part of the assets of the relevant Underlying Fund is suspended; or

(D) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Underlying Fund by the Underlying Fund is impracticable; or

(E) during any breakdown in the means of communication normally employed in determining the price or value of any of the Underlying Fund's investments or the current prices or values on any market or stock exchange; or

(F) during any period when the Underlying Fund is unable to repatriate funds for the purpose of making payments on the redemption of such shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such shares cannot in the opinion of the Directors be effected at normal rates of exchange; or (G) if the Underlying Fund or a Sub-Fund or a Share Class is being or may be wound-up or merged on or following (i) the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Underlying Fund or the relevant Sub-Fund or Share Class is proposed or (ii) the date on which the Directors decide to wind up or merge a Sub-Fund or a Share Class; or

(H) if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Underlying Fund attributable to a particular Share Class in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or

(I) during any other circumstance or circumstances where the Directors believe it is in the best interest of

shareholders of the Underlying Fund or where a failure to do so might result in the Underlying Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment.

PROSPECTIVE INVESTORS MUST BE AWARE OF THE POTENTIAL LIMITATIONS ON THEIR ABILITY TO WITHDRAW FROM THE FUND. SCHRODERS DOES NOT PROVIDE ANY GUARANTEE CONCERNING THE LIQUIDITY OF THE FUND OR THE ABILITY OF AN INVESTOR TO WITHDRAW THEIR INVESTMENT.

Valuation risk
It may be difficult to find appropriate pricing references in respect of unlisted investments. This difficulty may have an impact on the valuation of the portfolio of investments. Certain investments are valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities. Redemptions from the Underlying Fund are processed on such estimated valuations, which may create uncertainty on the unit price received upon such redemption.

Investment selection risk
The Investment Manager uses an investment selection process to identify investment opportunities which it believes are most likely to outperform over the medium to long term. There is a risk that these investments will not perform in line with the Investment Manager's expectations, however, this risk is mitigated to some extent by the knowledge, experience and processes of the Investment Manager.

Investment specific risk
There may be instances where an investment in which the Underlying Fund invests will fall in price because of investment specific factors (for example, where a company's major product is subject to a product recall). The value of investments can vary because of changes to management, product distribution, investor confidence, internal operations or the company's business environment.

Gearing risk
The Fund does not intend to borrow.

The Underlying Fund has access to a credit facility of up to 30% of Net Asset Value to help it manage through periods of intense market stress where distributions from the underlying companies in the investment portfolio reduce to a level at which the Underlying Fund cannot meet the capital calls on commitments from the underlying portfolio. The credit facility would be used to prevent the Fund from having to make forced asset sales to meet these capital calls.

Private equity funds (and the companies in which they invest) may borrow and as such leverage may be incurred through multiple levels in the fund structure.

Settlement risk
The Underlying Fund will regularly make investments which are settled outside of established clearing systems. For example (i) investments made in non-listed companies, (ii) investments which are only based on agreements and for which the investor has no security as proof of the investment, or (iii) investments in securities where the delivery of securities does not occur at the same time as payment of the purchase price. Moreover, the settlement of investments or dividends and/or realisations may be more difficult or become impossible because of circumstances which are not within the power of the Investment Manager (technical problems, sovereign restrictions, force majeure events, etc).

Interest rate risk
The Underlying Fund may hold money market funds for liquidity purposes. Changes in interest rates may affect the return of these investments. Additionally the underlying companies may employ leverage, meaning increases in interest rates may make it more difficult for these companies to meet interest obligations on this debt.

Business, legal and tax risks
In some jurisdictions in which the Underlying Fund may invest, the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally.

The Underlying Fund, and the funds in which it may invest, may be subject to withholding and other taxes. Tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from jurisdiction to jurisdiction and/or region to region. Any change in taxation legislation could affect the value of the investments held by and the performance of the Underlying Fund and by extension the Fund.

Investment team risk
The investment team for the Underlying Fund may change, which may affect the Underlying Fund's future performance.

General Fund Risks

Market risk
The market as a whole, or a particular market segment or asset class, may be affected by events such as changes in legislation, economic policy, political events, technological change, changes in global economic conditions (e.g. growth and inflation) and pandemics or health crises. These events can be unpredictable and can have broad ranging impacts. The assets of the Fund are exposed to market risk to varying degrees, and there is a risk that occurrence of such events may have an adverse impact on the value of some or all of the assets of the Fund, causing reductions in the value of the Fund's units.

Currency risk

Units in the Fund are denominated in Australian dollars. However, investments of the Fund may be denominated in other currencies. Movements in the exchange rate between the Australian Dollar and other currencies may cause the value of these investments to fluctuate when expressed in Australian Dollars.

Conflicts of interest risk

A conflict of interest arises when a party is subject to multiple competing interests. In the context of the Fund, this may arise where Schroders, one of its agents or service providers, or their respective directors or employees, has a personal interest that is inconsistent with the best interests of investors, or if Schroders is required to make decisions which may affect different unitholders with competing interests. Schroders maintains a conflicts of interest policy to ensure that all conflicts of interest (actual or perceived) are identified and appropriately managed.

In the context of the Fund, the Investment Manager and Schroders may enter into transactions where they have a direct or indirect interest, possibly creating conflicts of interest with their duty to the Fund. Employees, and the firms themselves, may personally invest in the Fund or related funds and transact as they see fit. They are not required to account to the Fund for profits or fees earned through these transactions, nor will their fees necessarily be reduced as a result. However, they are obliged to conduct such transactions on terms at least as favourable as those without a conflict.

Cyber security risk

Unitholder details as well as the Fund's holdings are held electronically. There is a risk of financial loss, disruption or damage from either internal or external, accidental or malicious conduct targeting either Schroders or any of Schroders' agents or service providers resulting in unauthorised access to digital systems, networks or devices for the purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption.

Fund risk

The following risks are inherent in the Fund:

- investing in the Fund may result in a different outcome to investing directly because of the application of tax laws to the Fund, income or capital gains accrued in the Fund, the deduction of fees and costs, and the impact of investments into and withdrawals out of the Fund by other investors;
- investments into and withdrawals out of the Fund by other investors may also impact the taxable income distributed to an investor during a financial year as those cash flows trigger asset purchases and sales;
- the costs of your investment may increase through an increase in fees and costs. If management fee increases occur, we will provide at a minimum of 30 days' prior written notice of any such increase (see 'Changing the fees' in the 'More detailed information about fees and costs' section of this PDS);
- the Fund may be terminated; and
- investing in a fund with a smaller number of investments may lead to more volatile returns than investing in a fund with a more diversified portfolio.

As stated above, as a result of these risks, the value of an investment in the Fund may change.

Negative Screening terminology risk

You may have differing views, opinions and understanding of the meaning of the terminology used in this PDS, to Schroders or other third party providers, and therefore your expectations of permitted investments may be different to the actual investments of the Fund.

5. Additional Fund information

Custodian

Schroders has appointed JPMorgan to provide custody services. We will pay JPMorgan a fee for acting as the Fund's custodian. This fee is not an additional fee to you and is included in the management fees and costs described in the PDS.

In its role as custodian, JPMorgan safekeeps the assets of the Fund. The role of the custodian is limited to holding assets of the Fund and it has no supervisory role in relation to the operation of the Fund.

JPMorgan has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. JPMorgan has not independently verified the information contained in this PDS and accordingly accepts no responsibility for the accuracy or completeness of the information. JPMorgan does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

The custodian may be changed from time to time and we may change the custodian where we are satisfied that the proposed new custodian meets applicable regulatory requirements. You will not be notified of a change in custodian.

Valuation calculation within the Underlying Fund

The NAV of the Underlying Fund is determined by Brown Brothers Harriman (Luxembourg) S.C.A., ('**Brown Brothers**'). Brown Brothers acts as custodian, depositary and administration agent of the Underlying Fund. Brown Brothers calculates the NAV of the Underlying Fund as of close of business on the last Business Day of each calendar month by dividing the value of the assets of the Underlying Fund, including accrued income, less the amount of the liabilities of the Underlying Fund, by the total number of shares then on issue.

The investments of the Underlying Fund will be valued monthly in line with Fair Market Valuation (FMV) best practices, or local market equivalent.

The assets and liabilities of the Fund will be determined on the basis of the contribution to and withdrawals from the Underlying Fund as a result of (i) the issue and withdrawal of shares; (ii) the allocation of assets, liabilities and income expenditure attributable to the Underlying Fund as a result of the operations carried out by the Underlying Fund; and (iii) the payment of any expenses or distributions to holders of shares.

Valuation within the Fund

The calculation of NAV and NAV per unit of the Fund is set out in the Constitution. Schroders has appointed JPMorgan to calculate the Fund's NAV and NAV per unit, which will be published on Schroders' website www.schroders.com.au. The NAV per unit is calculated monthly and will generally be available within 22 Business Days after month end.

For the purpose of calculating the NAV of the Fund, JPMorgan shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Underlying Fund.

Note that in addition to its interest in the Underlying Fund, the Fund will also hold cash and cash equivalent instruments.

Schroders' Unit Pricing Discretions Policy contains further detail about how the NAV per Unit is calculated. This policy is available on our website www.schroders.com.au. A copy of this policy may be obtained free of charge upon request.

Labour standards and environmental, social and ethical considerations

Schroders as the Responsible Entity does not take into account labour standards, environmental, social or ethical considerations when selecting, retaining or realising the Fund's investments. These considerations are, however, taken into account by the Investment Manager at the Underlying Fund level.

As at the date of this PDS, the Investment Manager applies the following Negative Screens to the Underlying Fund:

a. The Investment Manager will seek to not invest in any portfolio company that it, or as applicable, the Underlying Fund's investment partners, is aware at the time of investment that directly engages in the following:
    i. Production, financing or sale of the following weapons types:
        - Anti-personnel mines
        - Cluster munitions
        - Nuclear weapons
        - Biological and chemical weapons
    ii. Production or trade in any product prohibited under the Convention on International Trade in Endangered Species of Wild Fauna and Flora
    iii. Blast or drift net fishing using nets in excess of 2.5 km in length
    iv. Commercial logging operations in primary tropical moist forest
    v. The use of child labour (as defined by the International Labour Organisation ("**ILO**")'s 1973 Minimum Age Convention, or the age set by local regulation, whichever is higher) or forced labour (as defined in the ILO's 1930 Forced Labour Convention and as implemented by applicable local law)
    vi. Prostitution
    vii. Racism, bigotry or negative discrimination pursuant to proven systematic practices of the portfolio company

b. The Investment Manager seeks to not invest: (1) more than 5% of NAV at the time of investment at an Underlying Fund level in portfolio companies that it is aware at the time of investment that directly engage in, or (2) in any portfolio company that it, or as applicable, the Underlying Fund's investment partners, is aware at the time of the investment that derives more than 10% of its annual consolidated gross sales revenue at the time of investment directly from:
    i. Production, financing or trade in conventional weapons and munitions, including civilian firearms
    ii. Production, financing or sale of unconventional oil and gas, and fossil fuel fired thermal power facilities
    iii. Mining or the extraction of thermal coal. This exclusion does not apply to the sale and distribution of thermal coal.
    iv. Production and sales of tobacco products
    v. Production, sales or financing of pornography & adult entertainment (material or other entertainment, whether recorded or live, in which the dominant theme is sexually explicit conduct)
    vi. Usury or predatory lending, referring to any lending practice to individuals, small businesses, not meant as expensive regulated short-term lending, where the borrower is taken advantage of by the lender. Predatory lenders impose lending terms that are unfair or abusive. This predatory practice is often committed against victims who are elderly or low-income. Examples include, but are not limited to: loans that carry high fees and interest rates, strip the borrower of equity, or place a creditworthy borrower in a lower credit-rated (and more expensive) loan

c. The Investment Manager seeks to not invest in any portfolio company that it knows at the time of the investment is actively encouraging addiction, illness or abuse unless such investment is reviewed and approved on a case-by-case basis by the Investment Manager's Sustainability & Impact Committee, including:
    i. Alcohol addiction
    ii. Substance addiction or abuse
    iii. Gaming addiction
    iv. Gambling addiction

The Investment Manager's definition of portfolio companies that actively encourage addiction, illness or abuse are those that are engaged in the production or distribution of products or services that enable substance abuse or other addictions through what the Investment Manager deems irresponsible marketing practices of such products or services, including but not limited to: alcohol, pharmaceuticals, gambling and gaming. Within this definition, a beer producer with leading responsible marketing practices as per industry working group standards would be permitted. A casino would not be permitted.Given the nature of the investments of the Underlying Fund (which are predominantly private investments), the Investment Manager may not be able to strictly enforce all negative screens above. Reasons include, but are not limited to, a lack of available data, or mergers and acquisitions activity in investee companies after the initial point of investment. You may have differing views, opinions and understanding of the meaning of the terminology used in this section, to Schroders, the Investment Manager and/or relevant third-party data providers, and your expectations of permitted investments may be different to the actual investments of the Underlying Fund.

The above does not prohibit participation by the Investment Manager directly or indirectly in any portfolio company which only falls within one or more of the categories above by (1) involvement with the production, financing, sale or trade of a component part (for example, without limitation, batteries, satellite navigation tools, or computer processors) of another product and where such component has not been created with such prohibited use in mind and is mainly used for other non-prohibited products, (2) providing products or services not described above (e.g., component parts or enabling technology and services) to a customer that engages in the production, distribution, sale or provision of one or more products and/or services, or the operation of one or more businesses, as described above, or (3) operating wholesale, retail or other establishments engaged in the manufacturing, distribution, sale or provision of a broad range of products and/or services, of which any product or service described above is only an incidental part.

With respect to direct investments or co-investments in the Underlying Fund, the Investment Manager will generally assess whether the prospective portfolio company adheres to the Negative Screens during the due diligence analysis stage and will not proceed to invest if it determines that the prospective portfolio company does not comply with the Negative Screens.

With respect to primary investments, application of the Negative Screens is generally ascertained at the pre-investment stage by comparing the prospective Underlying Fund's investment partners' exclusions policy to the Negative Screens. These prospective investment partners are also subject to due diligence analysis and, where required and possible, contractual provisions, via side letters or other fund governing documents, are negotiated in order to bring their exclusions in alignment with the Negative Screens. Where side letters are not possible, the Investment Manager assesses the risk of the prospective Underlying Fund's investment partner breaching the Negative Screens and may decide to not proceed with the investment.

With respect to secondary investments, the application of the Negative Screens is ascertained in a similar way to that for primary investments. It should be noted that the Underlying Fund's ability to influence the exclusions in secondary investments may be limited. For secondary investments that are interests in a GP-led transaction, due diligence analyses are also conducted on the prospective portfolio companies.

Please see the 'Asset classes' section in 'Section 2. At a glance' above for more information about direct investments or co-investments, primary investments and secondary investments.

The Underlying Fund's adherence to the Negative Screens is monitored through external tools and data sources, post-investment monitoring, and engagement with investment partners and businesses.

External tools and data sources that the Investment Manager employs include RepRisk and World-Check. The Investment Manager will use some or all of these tools and sources as part of its ongoing monitoring of the Underlying Fund, with all information collected during the investment process being reviewed by the Investment Manager.

The Investment Manager also conducts post-investment assessments with investment partners and businesses and relies on them to inform the Investment Manager of any developments to monitor the Underlying Fund's adherence to the Negative Screens. As part of the due diligence process, the Investment Manager will pose questions such as whether a business has engaged in activities that form part of the Negative Screens. Post-investment monitoring is undertaken on an ad hoc basis as and when the Investment Manager deems necessary. The Investment Manager engages its investments when major risks relating to its Negative Screens (e.g. incidents) are identified. If no improvement is evidenced within a reasonable timeframe, as determined by the Investment Manager, the Investment Manager will work towards divesting the asset. What constitutes a reasonable timeframe will depend on the severity of the issue and will be determined by the Investment Manager on a case by case basis.

Nothing in the above shall require the Investment Manager, any investment personnel, sponsor or adviser of the Underlying Fund's investment partners or any other person to conduct any inquiry into the activities of any potential portfolio company that is beyond the ordinary and customary due diligence review that they would conduct in respect of such a potential portfolio company.

Related party transactions

Schroders is a wholly owned subsidiary of Schroders plc and part of the Schroders Group. A related party includes certain entities and individuals that have a close relationship with Schroders, including, but not limited to Schroders plc itself, other subsidiaries of Schroders plc and other funds operated or managed by members of the Schroders Group.

We may from time to time use the services of related parties (including, but not limited to, investment management and administration) or enter into financial or other transactions with related parties in relation to the assets of the Fund. Where we enter into such arrangements, they will be based on arm's length commercial terms or as otherwise permissible under the law. Where a Fund invests in an underlying fund that is managed by a wholly-owned member of the Schroders Group, Schroders will typically implement an arrangement to offset any fees payable to that wholly-owned group entity so that they are not an additional cost to you. However, fees payable to external managers and managers related to, but not wholly owned by, the Schroders Group will still typically be borne by the Fund. For example, the Fund invests in the Underlying Fund which is managed by the Investment Manager, an indirectly wholly owned subsidiary of Schroders plc. The Underlying Fund does not charge a management fee to the Fund in respect of that investment to ensure that management fees are not charged twice as a result of the Fund investing into the Underlying Fund. In addition, the credit facility of up to 30% of NAV to which the Underlying Fund has access is currently provided by Schroders plc (on arms' length terms). The purpose of this credit facility is to be used to meet capital calls of the Underlying Fund, and will not be used for redemptions.

In the course of managing the Fund we may come across conflicts in relation to our duties to the Fund, related funds and our own interests. Employees of Schroders may invest in the Fund or Underlying Fund or other funds managed by the Investment Manager or Schroders. The Investment Manager or Schroders may also invest directly or indirectly in the Fund or Underlying Fund from time to time.

Neither the Investment Manager nor Schroders is required to account to investors for any profits, commission or remuneration made or received from or by reason of such transactions or any connected transactions. These transactions are undertaken in accordance with Schroders' conflicts management framework. The Investment Manager or Schroders, as the case may be, have a duty to ensure that any such transactions are affected on terms no less favourable than if the conflict did not exist.

The Investment Manager and the Responsible Entity may manage and advise multiple strategies and client accounts, some of which may have similar investment strategies and objectives to the Fund. As a result, there may be limited supply of investment opportunities, which may give rise to conflicts of interest. Further, the Investment Manager and the Responsible Entity will continue to raise money from investors that may invest in competing strategies.

We have internal policies and procedures in place to manage these conflicts of interest appropriately. These policies and procedures will be reviewed on a regular basis and may change from time to time. In addition to complying with these policies and procedures, all conflicts will be resolved in a fair and reasonable manner, in accordance with the relevant law and ASIC requirements.

Schroders will also make available, upon request, relevant information regarding any additional conflicts of interest that may arise from time-to-time, such as the description of any conflict of interest that may arise from any delegation of its functions.

6. Fees and other costs

Did you know?
Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

To find out more
If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) MoneySmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and costs summary

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in the 'Taxation' section of this PDS.

You should read all the information about fees and costs, because it is important to understand their impact on your investment.

Schroder Specialist Private Equity Fund – Professional **Type of fee or cost***	**Amount**	**How and when paid**
Ongoing annual fees and costs**		
Management fees and costs The fees and costs for managing your investment[1]	Estimated to be 2.35% p.a. of the Net Asset Value (NAV) of the Fund, comprised of: 1. A management fee of 1.48% p.a. of the NAV of the Fund.*** 2. Estimated indirect costs of 0.87% p.a. of the NAV of the Fund. 3. Estimated expense recoveries of 0% p.a. of the NAV of the Fund.	1. The management fee is calculated and accrued daily and generally paid monthly in arrears out of the assets of the Fund within 10 Business Days after the end of the month. 2. Indirect costs are generally deducted from the assets of the Fund as and when incurred. 3. Expense recoveries are generally deducted from the assets of the Fund as and when incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated to be 0.07% p.a. of the NAV of the Fund, comprised of: 1. A performance fee of 0% p.a. of the NAV of the Fund****. 2. Estimated interposed vehicle performance fees of 0.07% p.a. of the NAV of the Fund*****.	1. The Fund does not presently charge a performance fee. 2. Performance fees charged by interposed vehicles are generally deducted from the assets of the interposed vehicle as and when incurred.
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.13% p.a. of the NAV of the Fund.[2]	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund, and are deducted from the assets of the Fund as and when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee[1] The fee on each amount contributed to your investment	Nil	Not applicable

Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on withdrawal.[3]	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders respectively at the time of the relevant application or withdrawal.
Withdrawal fee[1] The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee[1] The fee to close your investment	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

*Unless otherwise stated, all fees and costs are quoted inclusive of GST and net of any input tax credits ('**ITC**s') or reduced input tax credits ('**RITC**s') that are expected to be available to the Fund, and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.
**Unless otherwise stated, all estimates of fees in this section are based on information available as at the date of this PDS and reflects Schroders' reasonable estimates of the typical ongoing amounts for the current financial year. All costs reflect the actual amount incurred for the last financial year and may include Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was not available at the date of this PDS.
***For certain wholesale clients (as defined in the Corporations Act), Schroders may, at its discretion and in accordance with ASIC Policy and the Corporations Act, negotiate, rebate or waive all or part of Schroders' management fee. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
****Although entitled to do so under the Constitution, Schroders does not currently charge a performance fee for the Fund and has not done so in any period in which the Fund was in operation (however interposed vehicles may charge a performance fee, see below). The estimated performance fee is based on the average performance fee incurred by the Fund for the previous five financial years in which the Fund has been in operation, which is 0% p.a. of the NAV of the Fund as Schroders has not charged any performance fee in respect of the Fund for any of those financial years. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
***** Potential investors should be aware that the Fund and the Underlying Fund are relatively newly established, and as such their investments are relatively new, and the interposed vehicle performance fees are typically incurred later in the life of those vehicles. The actual interposed vehicle performance fees incurred may be higher in future, depending on the returns generated by those interposed vehicles. Past performance is not a reliable indicator of future performance. Please refer to the 'Indirect costs' section of the 'Additional explanation of fees and costs' in this PDS for an explanation of what is an 'interposed vehicle' of the Fund. Schroders does not currently charge a performance fee in respect of the Fund, and the Investment Manager does not currently charge a performance fee in respect of the Underlying Fund, but the Underlying Fund invests in other private equity funds and funds of private equity funds. These funds may charge performance fees. Schroders' reasonable estimate of these funds' performance fees is based on the average fee of the actual amounts incurred by the Fund using the methodology set out in the 'Additional explanation of fees and costs' section of this PDS. Past performance is not a reliable indicator of future performance and the performance fee will be based on the performance of the funds over the relevant period. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
[1]This fee includes an amount payable to an adviser. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
[2]The transaction costs disclosed in this fees and costs summary are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
[3]As at the date of this PDS, Schroders does not charge a buy-sell spread on applications and withdrawals, but may do so in future. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs for the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example – Schroder Specialist Private Equity Fund	**Balance of $50,000 with a contribution of $5,000 during year**	
Contribution fees	Nil	For every additional $5,000 you put in, you will be charged $0.
PLUS Management fees and costs[2] comprising: Management fee[3] to Schroders Indirect costs Expense recoveries	**2.35% p.a.** 1.48% p.a. 0.87% p.a. 0% p.a.	And, for every $50,000 you have in the Fund you will be charged or have deducted from your investment $1,1752.07 each year.
PLUS Performance fees[4]	0.07% p.a.	And, you will be charged or have deducted from your investment $35 in performance fees each year.
PLUS Transaction costs[2]	0.13% p.a.	And, you will be charged or have deducted from your investment $65 in transaction costs.

EQUALS Cost of Fund	If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs of **$1,275**.[1,5] **What it costs you will depend on the fees you negotiate.**

[1]Additional fees may apply. A buy-sell spread may apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.
[2]Please refer to footnote ** in the Fees and costs summary above.
[3]Please refer to footnote *** in the Fees and costs summary above.
[4]This example assumes that the Fund will incur interposed vehicle performance fees of 0.07% p.a. of the NAV of the Fund, based on our reasonable estimate of the performance fee. Please refer to footnote **** and footnote ***** in the Fees and costs summary above.
[5]This amount excludes fees for any additional contributions that may be made during the year. Please note that the minimum initial investment for the Fund is $20,000, and the minimum additional investment is $5,000. We have assumed that the $5,000 contribution is made at the end of the year and that that the value of the investment is a constant. This example is therefore calculated using the $50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and costs charged are based on the value of the Fund, which also fluctuates daily.

Additional explanation of fees and costs

The investment returns of the Fund will be affected by the fees and expenses incurred. The formula below broadly outlines the fees and costs associated with your investment in the Fund. Further information on how these fees and costs are calculated is set out below in this section.

Total fees and costs = management fees and costs (comprised of the management fee, indirect costs and expense recoveries (if incurred)) + performance fee (if applicable) + transaction costs + buy-sell spread (if applicable)

Unless otherwise stated, all estimates of fees in this PDS are based on information as at the date of this PDS and reflect the typical ongoing amounts for the current financial year. All costs reflect the actual amount incurred for the previous financial year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was not available at the date of the relevant PDS.

Investors in the Fund typically will not bear any establishment costs, contribution fees, withdrawal fees, exit fees or switching fees.

Management fees and costs

Management fees and costs include the amounts payable for administering the Fund, amounts paid for investing in the assets of the Fund, and other expenses and reimbursements in relation to the Fund and investments.

The management fees and costs of the Fund are comprised of a management fee, indirect costs and any recoverable expenses (if incurred).

Management fee

This is the fee for Schroders' services as Responsible Entity in overseeing the operations of the Fund and/or for providing access to the Fund's underlying investments.

Schroders is entitled to a management fee of 1.48% % p.a. on the NAV of the Fund (inclusive of GST less any RITC entitlement). The management fee is calculated and accrued daily and generally payable monthly in arrears. Schroders may rebate all or part of its management fees to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. For further information, on negotiated fees, see the 'Differential Fees' section below. Wholesale clients can contact Schroders at the address specified in the 'Contacting Schroders' section.

Other fees and costs may apply to the Fund. Unless otherwise agreed, Schroders may change the amount of any fees in this PDS (including increasing fees up to the maximum set out in the Constitution) without your consent. Management fees disclosed in this PDS will not be increased without providing at least 180 days' advance notice to you.

The Fund's estimated and/or historical management fees may not be an accurate indicator of the actual management fees you may pay in the future. Details of any future changes to management fees will be provided on Schroders' website at www.schroders.com.au where they are not otherwise required to be disclosed to investors under law.

Indirect costs

Indirect costs include any amount that we know or reasonably ought to know, or where this is not the case, may reasonably estimate has reduced or will reduce (as applicable), whether directly or indirectly, the return of the Fund, or the amount or value of the income of, or property attributable to the Fund, or an interposed vehicle in which the Fund invests. Each of the Underlying Fund, and the private equity funds and funds of private equity funds in which the Underlying Fund may invest, is an interposed vehicle of the Fund.

The management fees and costs figure disclosed in the fees and costs summary in this PDS includes the estimated indirect costs of 0.87% p.a., which is the amount actually incurred by the Fund for the previous financial year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of this PDS.

These indirect costs are reflected in the unit price of your investment in the Fund and include the management fees and costs of interposed vehicles and other indirect costs.

The indirect costs may vary from year to year, including to the extent that they rely on estimates.

Indirect costs include management fees and costs that may be incurred by, or payable in respect of, the Underlying Fund and the interposed vehicles in which the Underlying Fund invests as part of its normal operations. The impact of such costs will typically be reflected in the value of the Underlying Fund's assets and by extension in the value of the Fund's investment in the Underlying Fund and in the unit price of the Fund, and as such are an additional cost to you.

The actual indirect costs that the Fund incurs may differ from the indirect costs disclosed in this PDS. Details of any future changes to indirect costs will be provided on Schroders' website at www.schroders.com.au where they are not otherwise required to be disclosed to investors under law.

Expense recoveries

Normal expense recoveries

Schroders is entitled to separately recover expenses (such as fund accounting, unit registry, audit costs, postage, trade reporting and preparation of tax returns etc) from the assets of the Fund. Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by Schroders from the assets of the Fund.

As at the date of this PDS, Schroders has decided to pay normal expenses (including those incurred in the administration of the Fund, other than market opening costs) out of its management fee.

Abnormal expense recoveries

Schroders may also recover abnormal expenses

(such as costs of unitholder meetings, changes to the Constitution, and defending or pursuing legal proceedings) from the Fund.

Abnormal expenses are not generally incurred during the day- to-day operation of the Fund and are not necessarily incurred in any given year. In circumstances where such events do occur, we may decide not to recover these from the Fund.

The management fees and costs figure disclosed in the fees and costs summary in this PDS includes the estimated abnormal expense recoveries of the Fund, which is the amount actually incurred by the Fund for the previous financial year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of the PDS.

The estimated expense recoveries relate only to expenses incurred by the Fund, and not any expenses that may be incurred by interposed vehicles such as the Underlying Fund.

Performance fees charged by Schroders to the Fund

Schroders does not currently charge a performance fee for the Fund. However, under the Constitution Schroders is entitled to charge a performance fee of up to 33 % (exclusive of GST) of performance in excess of the RBA cash rate.

The performance fee figure disclosed in the fees and costs summary of this PDS is based on the average performance fee incurred by the Fund for the previous five financial years, which is 0.00% p.a. of the NAV of the Fund as Schroders has not charged any performance fee in respect of the Fund for any of those financial years.

Performance fees charged by interposed vehicles

As Responsible Entity of the Fund, Schroders will invest substantially all of the assets of the Fund into the Underlying Fund. The Underlying Fund in turn may invest in other private equity funds and funds of private equity funds.

While performance fees are not charged in respect of the Underlying Fund, the interposed vehicles in which the Underlying Fund will invest may charge performance related fees. Such fees, if charged, would reduce the value of the Underlying Fund's investment in the interposed vehicle, and in turn the value of the Fund's investment in the Underlying Fund and the net asset value of the Fund.

Schroders' reasonable estimate of the performance fees charged by interposed vehicles is set out in the fees and costs summary in this PDS, and is based on:

- The average fee incurred for the previous five financial years; or
- If the interposed vehicle was not in operation for the past five financial years, the average fee incurred for all of the financial years in which the interposed vehicle was in operation; or
- If the interposed vehicle was first offered in the current financial year, Schroders' reasonable estimate of the fee for the current financial year adjusted to reflect a 12-month period.

After applying the methodology above, Schroders estimates that the interposed vehicle performance fees were 0.07% p.a. of the NAV of the Fund.

Potential investors should be aware that the Fund and the Underlying Fund are relatively newly established, and as such their investments are relatively new, and the interposed vehicle performance fees are typically incurred later in the life of those vehicles. The actual interposed vehicle performance fees incurred may be higher in future, depending on the returns generated by those interposed vehicles. Past performance is not a reliable indicator of future performance.

Transaction costs

Transaction costs are the costs incurred when assets are bought or sold by the Fund and include brokerage, buy-sell spreads, settlement costs (including custody costs), clearing costs and stamp duty. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the Fund and certain costs in relation to derivative financial products.

Transaction costs are reflected in the Fund's unit price as and when incurred. As these costs are factored into the value of the Fund's assets and reflected in the unit price, they are an additional cost to you and are not a fee paid to Schroders as the Responsible Entity.

The estimated transaction costs figure disclosed in the fees and costs summary of this PDS is the amount actually incurred by the Fund for the previous financial

year, including Schroders' reasonable estimates where Schroders was unable to determine the exact amount or information was unavailable at the date of this PDS.

The Fund's estimated transaction costs are 0.13% p.a. of the NAV of the Fund. The Fund generally does not incur transaction costs itself, and as such the estimated transaction costs reflect the transaction costs incurred in the Fund's interposed vehicles, including the Underlying Fund. The dollar value of these costs over a 1 year period based on an average account balance of $50,000 is $65.

The estimated transaction cost of 0.13% represent both the net transaction costs, and the gross transaction cost of the Fund and the Underlying Fund, given the Fund and the Underlying Fund do not charge or recover costs via a Buy-Sell spread.

The Fund's estimated and/or historical transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future. Details of any future changes to transaction costs will be provided by Schroders' website at www.schroders.com.au where they are not otherwise required to be disclosed to investors under law.

Buy/sell spreads

A buy-sell spread is an amount deducted from the value of a unitholder's application money or withdrawal proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or withdrawal. It is not a service fee and, if charged, would be retained in the assets of the Fund to mitigate the impact to ongoing investors from the costs of transaction activity driven by applications and withdrawals.

The Fund does not currently charge a buy-sell spread on applications or redemptions but Schroders has the discretion to do so in future, subject to law, without giving prior notice.

To obtain an indication of the current buy-sell spreads that may apply to an application or withdrawal from the Fund, please visit www.schroders.com.au.

Sell spread charged by Underlying Fund

A sell spread of up to 5% may be levied by the Underlying Fund at the discretion of the Directors from time to time in the event that the Underlying Fund would need to make asset sales in the secondary market at a spread to meet withdrawal requests. If this sell spread is levied on the Fund, such costs may result in a reduction to the amount we pay you in connection with your withdrawal.

Differential fees

Schroders may charge, rebate or waive all or part of the management fee to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. Schroders can be contacted at the address specified in the 'Contacting Schroders' section of the PDS for further details.

In-specie transfers

On investing in the Fund, any costs associated with an 'in specie' transfer will be paid by the investor.

Where a withdrawal is satisfied by an 'in specie' transfer, the investor will bear all costs, including any applicable stamp duty, payable as a result of the transfer.

Schroders reserves the right to accept 'in specie' transfers for applications in its absolute discretion or in satisfaction of withdrawals if agreed to by Schroders and a unitholder.

Financial advisers

Additional fees may be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

Changing the fees

Under the Corporations Act Schroders may change the amount of any fees in this PDS (including increase fees up to the maximum set out in the Constitution) without your consent on 30 days' advance notice to you. Schroders will give at least 180 days' advance notice of any increase to its management fee. Schroders will not charge a performance fee for this class of units in the Fund. In accordance with the Constitution and subject to law,

Schroders may vary the amount of abnormal expense recoveries and the buy-sell spread at any time without your consent or notice. Schroders may introduce and increase fees at its discretion, including where increased charges are due to government changes to legislation, increased costs, significant changes to economic conditions and/or the imposition of increased processing charges by third parties.

However, Schroders cannot charge more than the maximum fees permitted under the Constitution as set out below (otherwise we would need unitholders' approval to increase the fee maximums in the Constitution).

Maximum fees

Management fee

The maximum management fee for the Fund under the Constitution is 5% of the NAV of the Fund (exclusive of GST) per annum. The current management fee for the Fund is 1.48% p.a.

All management fees are calculated on the NAV of the Fund (inclusive of GST and less any RITCs) except where indicated otherwise.

Performance fee

Under the Constitution Schroders is entitled to charge a performance fee of up to 33.825% of performance in excess of the RBA cash rate. Schroders does not currently charge a performance fee for the Fund, and Schroders will not charge a performance fee in future for this class of units in the Fund unless such fees are approved by an ordinary resolution of unitholders.

Establishment fee

The Fund has a maximum establishment fee of 5.00% of the application money for units or the market value of the property or any amount as agreed between the applicant and their adviser and notified to Schroders. This fee is not subject to GST. No establishment fee is currently charged.

Withdrawal fee

The Fund has a maximum withdrawal fee of up to 5.00% of the withdrawal price or such other amount as agreed between Schroders and the relevant unitholder. This fee is not subject to GST. No withdrawal fee is currently charged.

ASIC fee calculator

To calculate the effect of fees and costs on your account balance, you can use the calculator provided by ASIC at www.moneysmart.gov.au.

Taxation

Tax details are set out in the 'Taxation' section of this PDS.

GST

Except where indicated otherwise, all fees and costs outlined in this PDS are inclusive of GST less any RITC entitlement where applicable.

7. How to invest in the Fund

Making an initial application

You can apply to invest in the Fund by completing an application and returning it to us together with the application money. Hard copy application forms are available on our website at www.schroders.com.au. An online application process is also available on our website for certain investor types. By submitting an application, you are confirming that you have received and read this PDS. The minimum initial investment amount is $20,000.

Processing of applications

Applications are processed monthly, shortly after the cut-off time for each month.

Pursuant to relief granted to Schroders by ASIC, application monies that have been received but are not able to be invested into the Underlying Fund will be held in a bank account for up to 90 days before the units are issued (starting on the day on which the money was received), or the monies will be returned to you after this time if units are not able to be issued. Any interest earned on such application money will become an asset of the Fund.

The Fund is priced as at the last Business Day for each month. Due to the nature of the underlying private equity assets in which the Fund and Underlying Fund invest, unit prices can take time to calculate but are normally available within 23 Business Days after the end of the month. Once the unit price for a month is calculated, all investors whose applications were processed in that month will have their ordinary units issued using the unit price for that month. The unit price will vary as the market value of assets in the Fund rises or falls.

Any interest accrued on application amounts received by the Fund prior to the issue of ordinary units will become an asset of the Fund.

Additional investments

The minimum additional investment is $5,000. Unitholders may make additional investments via BPAY® or by forwarding payment in accordance with the 'Payment options' (refer below), together with a completed additional application form (which can be downloaded from www.schroders.com.au) or by giving a duly authorised written notification in a form acceptable to Schroders. For certain investor types, additional applications can also be submitted online.

You should be aware that any additional investments will be deemed to have been made on the terms of the current PDS.

Cut-off times

The cut-off time for Schroders is normally 2pm Sydney time on a Dealing Day.

Where application instructions are received by the relevant cut-off time on a Dealing Day and accepted by Schroders, units will normally be allocated at the unit price calculated for that Dealing Day.

Where an application instruction is received after the relevant cut-off time on a Dealing Day, the instruction will normally be treated as being received on the following Dealing Day.

The cut-off times may be changed by Schroders at its discretion without notice. Typically an earlier cut-off time will be adopted on days when financial markets have shortened trading hours.

Investment of application monies

Schroders may invest the application monies accompanying an application for units (**Application Amount**) immediately upon receipt and acceptance of the application, even though the payment for the units (**Investment**) is not cleared.

If Schroders has invested the Application Amount and cleared funds are not received by Schroders within such period from receipt of the application as Schroders determines, then:

- Any units that have been allocated to the applicant will be voided and treated as though they were never issued; and
- Schroders may take such steps as it considers necessary or desirable to unwind the Investment; and
- The investor will be liable to Schroders on behalf of the Fund for all liability, loss, costs, charges and expenses arising from, or incurred by the Fund, as a result of:

i. Schroders making and unwinding the Investment; and

ii. Schroders not receiving the cleared funds from the investor on the date that Schroders made the Investment.

Payment options

For applications made through administration platforms, the payment options will depend on the requirements of the relevant administration platform.

For applications lodged directly with Schroders, there are three options for payment set out below. Schroders does not accept direct debit as a payment option. In the case of applications for amounts in excess of $5 million, payments should be paid by direct deposit via Real Time Gross Settlement. Any other payment method for such

large applications may delay processing of the application.

Please note that the beneficiary lodgement code **SPE** should be quoted on all payment methods.

Physical cash will not be accepted at any time.

To avoid processing delays, investors are strongly advised to contact Schroders at least 24 hours prior to lodging applications of significant value (or to confirm whether an application amount will be considered to be significant by Schroders).

Investors should contact Schroders if they have not received a confirmation of investment within 5 Business Days after making a payment.

1. Cheque payments

Please make cheques payable to: '**Schroder Applications Trust Account No.1**' and cross '**Not Negotiable**'.

Schroders will only accept cheques drawn from an Australian ADI.

Schroders will accept and process cheques received as cleared funds if received by 2pm Sydney time on a Dealing Day.

2. Direct deposit

Deposit application money directly into the following account:

Name of bank:	JPMorgan Chase Bank N.A.
Branch:	Sydney Australia
Name of bank account:	Schroder Applications Trust Account No.1
SWIFT:	CHASAU2X
BSB:	212 200
Account number:	01003 6955

Where funds are electronically transferred or deposited directly to the bank account, details of the deposit should accompany the application form. Schroders will accept notice of electronic transfer of funds as if deposited and cleared.

Physical cash will not be accepted at any time.

3. BPAY®

For initial applications submitted via our Online Application Form and additional applications, payment can be made via BPAY using your on-line banking facility. Applications made by BPAY do not need to be accompanied by a paper instruction.

For additional applications received by BPAY, we will issue units when the money is received from your nominated financial institution. There may be a delay between the BPAY instruction and the day the units are issued.

®Registered to BPAY Pty Ltd ABN 69 079 137 518

Discretion to reject applications

Schroders has absolute discretion to reject an application. Considerations which Schroders may take into account in exercising such discretion include, but are not limited to:

- compliance with our obligations under the AML/CTF Law and the DDO Regime;
- compliance with our internal policies and procedures;
- ensuring the best interests of unitholders;
- our ability to invest the application monies in an orderly fashion; and
- market closures or jurisdictional holidays, prevailing market conditions and suitability for investment.

Other things you should know

The money paid to acquire units, or additional units, in the Fund may be held by Schroders or its custodian in a trust account for the benefit of the applicant until Schroders issues units to the applicant. Any income attributable to that application money will not be payable to the applicant on money held prior to the issue of units or if the application money is returned to the applicant. Any interest earned on such application money will become an asset of the Fund.

If you are investing in the Fund indirectly through an intermediate investment operator such as an investor directed portfolio service ('**IDPS**'), please discuss the application requirements with your intermediate investment operator.

Cooling-off period

No cooling off right applies to "wholesale clients" (as defined in the Corporations Act).

If you are investing through an IDPS, you should discuss any cooling-rights you may have with your IDPS operator. If you invest through an IDPS you will not acquire direct rights as a unitholder as such the terms of the IDPS will govern your rights and obligations with respect to your investment.

A 14-day cooling-off period applies to investments in the Fund made by 'retail clients' as defined in the Corporations Act. If you are a retail client, your cooling-off period will begin when you receive your transaction confirmation or on the 5th Business Day after units are issued (whichever is earlier) and will end on the 14th day after that date. The confirmation statement you receive on the initial application will state the date on which the units were issued.

During this 14-day period, retail clients have the right to redeem their initial investment by sending an authorised instruction to Schroders. The investor's initial investment will then be repaid in accordance with the standard withdrawal provisions outlined in Section 8 after Schroders makes adjustments for changes in the value of the investment, reasonable administrative and transaction costs incurred by Schroders or the Fund and any tax payable. There may be capital gain/loss tax implications if you happen to receive more or less back than you originally invested.

The cooling-off period will end if and when an investor exercises any right in relation to their units during the 14-day period. The cooling-off period does not apply in certain circumstances, such as where Schroders is required to suspend or freeze the withdrawal of units in accordance with the Constitution, the Corporations Act, or other AML/CTF Law obligations, or where investments are made by wholesale clients.

8. How to withdraw from the Fund

PROSPECTIVE INVESTORS MUST BE AWARE OF THE POTENTIAL LIMITATIONS IN CONNECTION WITH THEIR ABILITY TO WITHDRAW FROM THE FUND. NOTE THAT SCHRODERS DOES NOT PROVIDE ANY GUARANTEES CONCERNING THE LIQUIDITY OF THE FUND NOR THE ABILITY OF AN INVESTOR TO WITHDRAW THEIR INVESTMENT.

The minimum withdrawal amount is $5,000, unless the withdrawal relates to all the units held by that unitholder. Unitholders may request to withdraw some or all of their investment in the Fund by completing a withdrawal form that can be downloaded from www.schroders.com.au or by giving a duly authorised written notification in a form acceptable to Schroders. For certain investor types, withdrawal requests can also be submitted online.

Where payment instructions are not to a pre-nominated account, failure to provide the original withdrawal instruction to Schroders may cause delays in processing the instruction. Schroders does not accept instructions to pay to a third party and will not initiate payments to accounts with non-Australian ADIs unless otherwise agreed to by Schroders.

Schroders will only accept withdrawal requests if they are signed by the authorised signatories for the investment who have been duly nominated by the investor.

Withdrawal requests must be submitted by the 2pm Sydney time on the last Business Day of the calendar quarter and will be processed using the withdrawal price as at the end of the following calendar quarter. Schroders will normally pay withdrawal proceeds within 23 Business Days after the withdrawal request has been processed. However, under the Constitution, Schroders has up to 36 months after the date on which the withdrawal request has been received in which to pay the withdrawal amount. Generally, this maximum period would only be invoked as part of the 'Special Dealing Procedures' described below.

The Fund also has a number of other powers to manage withdrawal requests including initiating a transfer of units to facilitate a withdrawal, temporary suspension of withdrawals or denial of withdrawal requests where Schroders considers that it is in the best interests of unitholders to do so. Such measures will generally be temporary in nature and will only be used in extraordinary circumstances impacting the Fund or the Underlying Fund.

On receipt of a redemption request, Schroders has the discretion to purchase or arrange for a third party to purchase part or all of your units the subject of the request in exchange for cash, for no less than the redemption proceeds. In these circumstances the redemption request is satisfied when the transfer is recorded on the Fund's register and any such transfer will be treated as a legal disposal of those units. As at the date of this PDS, Schroders intends to exercise this discretion in relation to all withdrawal requests, unless otherwise notified to you in writing.

It should be noted that, in accordance with the Constitution, the Corporations Act, or AML/CTF Law obligations, Schroders may suspend, stagger or freeze the withdrawal of units in a number of circumstances including where it is impractical to calculate the current unit value or as otherwise required by law.

If your investment account balance falls below the minimum balance of $20,000 as a result of transactions you have made or attempt to make on your investment account, Schroders may cause your units to be compulsorily withdrawn without further notice to you.

Refer to section 7 in relation to redemptions of an 'initial interest' in the Fund.

Withdrawal limits

The Underlying Fund limits net withdrawals for a calendar quarter (withdrawals received for a given quarter netted off against subscriptions received over that quarter) to 5% of the Underlying Fund's NAV as at the start of that calendar quarter. If net withdrawals for interests in the Underlying Fund exceeds 5% over the calendar quarter, withdrawal requests will be reduced and processed on a pro rata basis.

If this occurs in any calendar quarter where the Fund has made a withdrawal request in respect of its interests in the Underlying Fund in relation to that calendar quarter, the Fund may make a corresponding reduction to the withdrawal requests it has received from unitholders on a pro-rata basis.

Unitholders will be informed of any withdrawal amount not processed before the settlement date. If the withdrawal amount is less than the amount specified in a unitholder's withdrawal request, the remaining portion of the withdrawal request will not be processed and will be cancelled. Unitholders will need to submit a new withdrawal request if they wish to withdraw further interests in the Fund.

The 5% limit imposed by the Underlying Fund above may be rounded down to the nearest percent at the Investment Manager's discretion. The Investment Manager may also waive or increase the 5% limit for net withdrawals for a given calendar quarter if it determines that there is sufficient available liquidity.

Sell spread

A sell spread of up to 5% may be levied by the Underlying Fund at the discretion of the Directors from time to time in the event that the Underlying Fund would need to make asset sales in the secondary market at a spread to meet withdrawal requests. Refer to 'Fees and other costs' for additional information.

Underlying fund – Special dealing procedure

The Directors of the Underlying Fund may decide to implement a special dealing procedure, for example, in periods of extraordinary market and economic circumstances, to deal with circumstances which in the reasonable opinion of the Directors warrant its

application in the best interest of investors in the Underlying Fund ('**Special Dealing**').

The Directors of the Underlying Fund may determine to suspend redemptions for a period of up to 12 months. In any case, no issue or redemption of shares in the Underlying Fund will take place during any period when the calculation of the net asset value per share is suspended.

As unitholders do not hold any direct interests in the Underlying Fund, they will not be able to directly affect any decision made in connection with Special Dealing, nor will they be directly provided with any information or notices by the Directors in relation to the Special Dealing. Instead, unitholders will be reliant on the Responsible Entity who will make decisions in relation to the Special Dealing based on its judgement with regard to its obligations under the Constitution. Such decisions may impact the NAV of the Fund and its ability to accept subscriptions or meet redemptions. The Special Dealing procedures of the Underlying Fund are summarised in more detail below.

Should the Directors decide to apply Special Dealing, withdrawal requests may be processed once every calendar year. Requests received prior to 2pm Sydney time on a special redemption day ('**Special Redemption Day**'), as determined by the Directors and announced to investors of the Underlying Fund prior to such day, will, if accepted, be transacted on the Secondary Value Dealing Price (as defined below).

The first Special Redemption Day, shall be no later than 12 months after notice of such decision was given to investors of the Underlying Fund. For the avoidance of doubt, the ordinary dealing procedure shall not be available following a decision to apply Special Dealing.

Redemption proceeds shall be paid to redeeming investors of the Underlying Fund by no later than 180 days following a Special Redemption Day (the '**Special Redemption Payment Day**'), provided the Underlying Fund has sufficient liquid assets available from proceeds as contemplated below. Should proceeds not be readily available, the Directors shall keep investors of the Underlying Fund informed and pay redemption monies as soon as practicable when sufficient funds have been generated but not later than 12 months after the Special Redemption Day.

An estimate will be made available to investors of the Underlying Fund (or an estimated range, as applicable) of the Secondary Value Dealing Price (as defined below) 30 days prior to the relevant Special Redemption Day or as soon as practicable thereafter. Investors of the Underlying Fund must be aware that such estimate may differ from the actual Secondary Value Dealing Price (as defined below) which will be determined taking into account the sale proceeds of selected assets and any related cost and expenses.

Any outstanding redemption orders received prior to the application of Special Dealing will be transferred to Special Dealing and be dealt with accordingly unless redeeming investors of the Underlying Fund withdraw their withdrawal request prior to the relevant Special Redemption Day.

In respect of each Special Redemption Day, net redemptions will not be limited and all investors of the Underlying Fund, whose withdrawal requests have been accepted, shall be transacted on the Secondary Value Dealing Price as set out below.

Secondary Value Dealing Price

The Secondary Value Dealing Price is based on the Net Asset Value of the Underlying Fund, as at the Special Redemption Day, adjusted by a spread (the '**Spread**'), if any, reflecting the expected or actual discount obtained through secondary sales under the then prevailing market conditions relative to net asset values (the '**Secondary Value Dealing Price**').

The Spread (if any) shall be determined, in good faith, by the Directors in consultation, where appropriate, with third party service providers. The Secondary Value Dealing Price shall, be determined typically within 120 days of the relevant Special Redemption Day (or as soon as practicable thereafter) (the '**Secondary Value Dealing Price Date**'). Subscribing and redeeming investors of the Underlying Fund shall be notified about the Secondary Value Dealing Price within 10 days of the Secondary Value Dealing Price Date.

Investors of the Underlying Fund not electing to withdraw under the Special Dealing Procedure as well as third party investors may acquire available shares at the Secondary Value Dealing Price, subject to certain limitations. Existing investors of the Underlying Fund will be given priority. All investors will be subject to a one year lock up period during which investments acquired during the Special Dealing Procedure cannot be redeemed.

The Underlying Fund will return to ordinary dealing procedures upon the determination by the Directors that the conditions warranting Special Dealing no longer apply.

Compulsory withdrawals

Schroders may, in limited circumstances and having regard to the best interests of unitholders as a whole, cause a unitholder's units to be compulsorily withdrawn without further notice to the unitholder. For example, this may occur where units would otherwise be acquired or held in violation of the terms and conditions of the PDS, the Constitution, or in breach of the law or requirements of any country or government or regulatory authority. Schroders may also exercise this right to prevent adverse consequences for the Fund, including a requirement to register under or otherwise comply with unfavourable laws and regulations of any country or authority.

In addition, where Schroders or the Fund incurs a liability in respect of a specific unitholder (for example, where the attribution of income results in a withholding tax liability for the Fund in respect of a particular unitholder that cannot reasonably be met using cash distributions payable to the unitholder), the relevant unitholder agrees that they will be deemed to have made a withdrawal request in respect of such units as are necessary for the liability to be met out of the withdrawal proceeds, and to have instructed Schroders to apply the proceeds of the withdrawal to satisfy the liability on behalf of the unitholder.

9. Distributions

Units in the Fund are accumulation units and no cash distributions are paid. All taxable income will be attributed to unitholders each year in accordance with the applicable tax laws, which may result in a tax liability for unitholders even though no cash has been distributed to them. Where this results in a withholding tax liability for the Fund in respect of a particular unitholder, Schroders may meet the liability by compulsorily redeeming the unitholder's units and applying the redemption proceeds to satisfy the liability on behalf of the unitholder.

10. Taxation

The following information summarises some of the Australian taxation issues a unitholder may wish to consider before making an investment in the Fund and assumes that a unitholder holds its investment in the Fund on capital account and is not considered to be carrying on a business of investing, trading in investments or investing for the purpose of profit making by sale. The Australian taxation information below is of a general nature only and does not take into account the specific circumstances of any unitholder. The information should be used as a guide only and Schroders does not purport to offer any taxation advice.

The summary below is based on the Australian taxation laws applicable as at the date of this PDS. The Australian taxation laws are subject to change, and the tax treatment applicable to particular investors may differ. Further, a number of tax reform measures are currently under review by the Australian Government and these reforms may impact on the tax position of the Fund and investors. Accordingly, it is recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

Non-resident investors should seek their own advice on the taxation law implications of their investment in the relevant jurisdictions.

General taxation

General

The fund is an Australian resident trust for Australian tax purposes. Therefore, the Fund is required to determine its net income (taxable income) for the year of income. On the basis that the intention of the Trustee is that, where the Fund is not an Attribution Managed Investment Trust (**AMIT),** as discussed below, Investors are presently entitled to the distributable income of the fund (and thereby allocated a share of the net income of the Fund including net taxable capital gains) or where the Fund is an AMIT, investors will be attributed a share of the assessable income, exempt income, non-assessable non-exempt income and tax offset (i.e. credits) components of the Fund on a fair and reasonable basis. This position is on the assumption the Fund is not a public trading trust, and therefore the Fund should be treated as a flow-through trust for tax purposes. This means that the Fund should not be subject to Australian income tax.

In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the tax loss to Investors. However, the tax loss may be carried forward by the Fund for offset against taxable income of the Fund in subsequent years, subject to the operation of the trust loss recoupment rules.

Where the Fund is an AMIT

The Fund may qualify as an AMIT, and if so, intends to elect into the AMIT regime. The AMIT legislation applies an attribution model whereby the Responsible Entity of the Fund attributes amounts of trust components of a particular character to Investors on a fair and reasonable basis consistent with the operation of the Fund's Constitution, which includes provisions in relation to the AMIT Regime.

Under the AMIT Rules, the following will apply:

(a) Fair and reasonable attribution: Each year, the Fund's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to Investors on a 'fair and reasonable' attribution basis, having regard to their income and capital entitlements under the Constituent Documents for the Fund rather than being allocated proportionally based on each Investor's present entitlement to the income of the Fund. The amounts attributed to investors will be advised in an AMIT Member Annual Statement ('**AMMA Statement**').

(b) **Deemed Fixed Trust Status:** The Fund will be deemed to be a 'fixed trust' for taxation law purposes and can rely on specific legislative provisions to carry forward prior year taxable income adjustments (known as unders or overs) to subsequent years.

(c) **Unders or overs adjustments:** Where the Fund's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery;

(d) **Cost base adjustments:** Where the total of distributions made and tax credits are attributed is less than (or more than) certain components attributed to Investors, then the cost base of an Investor's Units may be increased (or decreased). Details of cost base adjustments will be included on an Investor's AMMA Statement;

(e) **Large withdrawals:** In certain circumstances, gains may be attributed to a specific Investor, for example, gains on disposal of assets to fund a large withdrawal being attributed to the withdrawing Investor; and

(f) **Penalties:** In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed upon the Responsible Entity of the Fund.

Where the Fund is not an AMIT

In some circumstances the Fund may not meet the requirements to be an AMIT for a given income year (e.g. it does not qualify as a managed investment trust ('**MIT'**) for the income year. The AMIT regime will not

apply in this case for that year of income. Instead, the general trust provisions of the tax law would apply.

The following comments apply to the Fund only to the extent that is not an AMIT in a given year.

It is intended that Schroders, in its capacity as the Responsible Entity of the Fund, will not be liable to pay Australian income tax. Tax losses within the Fund cannot be claimed by unitholders and will be carried forward to be utilised by the Fund, subject to the tests for deductibility.

Unitholders will be presently entitled to all of the taxable income of the Fund each year. Under current tax law, unitholders will be liable to pay tax on their share of the taxable income of the Fund. The taxable income of the Fund may include capital gains. This will need to be taken into account by unitholders in calculating their net capital gain for a year. Unitholders may also be entitled to claim their share of any franking credits and foreign tax offset of the Fund.

A share of taxable income of the Fund will be included in a unitholder's assessable income for the relevant year, even if distributions are made in a subsequent year, reinvested in additional units or the actual distributions differ from the taxable amount.

Distributions to unitholders may include tax deferred amounts. These amounts are not immediately assessable when received by a unitholder but are applied to reduce the unitholder's CGT cost base in their units in the Fund which will affect the calculation of any gain or loss on the ultimate disposal of their units. If the CGT cost base of units in the Fund is reduced to nil, any further tax deferred amounts received are assessable as capital gains to the unitholder. If any CGT concession amounts are paid by the Fund, these amounts will not reduce the CGT cost base of the units held by investors.

On disposal of a unit in the Fund, income tax may be payable on any capital gain realised. Individuals, trusts, complying superannuation funds or life insurance companies may be entitled to discount their gain for tax purposes where the units have been held for more than 12 months. If units in the Fund are disposed of for a loss, a capital loss may arise which may be offset against capital gains in the current or subsequent income years.

Further, unders and overs that are discovered relating to a prior year in which the Fund was an AMIT will continue to be carried forward and applied in calculating the taxable income of the Fund, generally for a period of up to four years.

Deemed Capital Gains Tax ('CGT') election

Eligible managed investment trusts ('**MIT**s') may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts but excluding derivatives and foreign exchange contracts).

Where the election is made the Fund should hold its eligible investments on capital account and gains/(losses) from the disposal of eligible investments should be treated as capital gains/(losses). Capital gains arising on the disposal of eligible investments held for 12 months or greater may be eligible to be treated as discount capital gains.

Where the CGT election is not made, the Fund should hold its eligible investments on revenue account and gains/(losses) from the disposal of eligible investments should be treated as revenue gains or losses. The Fund did not make the election for deemed capital account treatment. As such, the Fund holds its eligible investments on revenue account. On this basis, the realised gains of the Fund will be income or revenue gains and not capital gains, with no entitlement to the capital gains tax discount concession. Realised losses will be revenue losses which, subject to the Fund meeting certain conditions, will be able to be claimed as a deduction against any assessable income of the Fund.

Controlled Foreign Company ('CFC') Provisions

In broad terms, the CFC provisions may result in assessable income arising in the Fund in relation to the Fund's investment in the Underlying Fund where certain control thresholds are met.The Fund's investment strategy is expected to minimise the impact of the CFC regime on the Fund. Nevertheless,

if such CFC interests were to be held at the end of the income year in respect of the Underlying Fund, the taxable income of the Fund may include a share of the net income and gains (i.e. CFC attributable income) in respect of the Underlying Fund.

Taxation of Financial Arrangements (TOFA)

The TOFA rules may apply to certain 'financial arrangements' held by the Fund. In broad terms, subject to the application of any of the elective TOFA "timing methods" regarding the recognition of gains and losses under TOFA financial arrangements, the TOFA regime seeks to recognise 'sufficiently certain' gains and losses on certain financial arrangements on an accruals basis for tax purposes and on a realisation basis where this is not the case.

Public Trading Trust rules

The Fund does not intend to derive income other than from an 'eligible investment business' for income tax purposes. Accordingly, it should not be classified as a 'public trading trust' and taxed as a company. Further, the Responsible Entity will seek to ensure it does not control entities that carry on trading activities that could result in the Fund being a public trading trust.

Taxation Reform

The tax information included in this PDS is based on the taxation legislation and administrative practice as at the issue date of this PDS, together with proposed changes to the taxation legislation as announced by the Government. However, the Australian tax system is in a continuing state of reform, and based on the Government's reform agenda, it is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation

through the judicial process. These reforms may impact on the tax position of the Fund and its Investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and Investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.Distributions

Where the Fund is an AMIT

In income years in which the Fund is an AMIT, investors will be subject to tax on the taxable income of the Fund on an attribution basis, as discussed above.

For each year of income, each Australian resident Investor will be required to include within their own tax calculations and tax return filings the assessable income, exempt income, non-assessable non-exempt income and tax offset component amounts of the Fund attributed to them by the Responsible Entity of the Fund.

Investors will receive an AMMA Statement detailing all relevant taxation information concerning attributed amounts and cash distributions, including any Foreign Income Tax Offset (**FITO**), returns of capital, assessable income, and any upwards or downwards cost base adjustment in the capital gains tax cost base of their Units in the Fund.

Should the tax cost base of an investor's units be reduced below zero, the amount in excess of the Investor's cost base will be treated as an assessable capital gain that should be included in the investor's calculation of their net capital gain or loss for the income year, along with any assessable capital gains component that may be attributed to them as advised on the AMMA statement provided to them.

An investor may be attributed a share of assessable tax components of the Fund where they have made a large redemption from the Fund.

Where the Fund is not an AMIT

Provided that the Fund is treated as a flowthrough vehicle, Investors will be assessed on that share of the Fund's net taxable income that accords to the proportion of the 'income of the trust' to which they were presently entitled for that year, even if the distribution relating to that income is received after year-end or reinvested. The Responsible Entity shall confer present entitlement to all of the Fund's income to investors proportionate to their unitholding in the Fund, on the date of entitlement. Investors will be required to include their share of net taxable income for a given income year in their tax return for that year. Each investor will receive an annual tax statement outlining the taxable amount of distributions made by the Fund.

An Investor may be allocated a share of the taxable net income of the Fund where they have made a large redemption, in which case their withdrawal proceeds may include that share of net income.

Foreign Income

The Fund may derive foreign source income that is subject to tax overseas, for example withholding tax.

Australian resident Investors should include their share of both the foreign income and the amount of the foreign tax withheld as advised in the tax statement provided to them in their assessable income. In such circumstances, Investors may be entitled to a FITO for the foreign tax paid, against the Australian tax payable on the foreign source income. To the extent the Investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

Disposal of Units by Australian Resident Investors

If an Australian resident Investor transfers or withdraws their Units in the Fund, this will constitute a disposal (a CGT event) for income tax purposes.

Where an Investor holds their Units in the Fund on capital account, a capital gain or loss may arise on disposal and each Investor should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of taxable income. In calculating the taxable amount of a capital gain, if certain conditions are met, including that the units in Fund have been held for more than 12 months (excluding the date of acquisition and disposal), the investor may be eligible for a discount of 50% for individuals and trusts or 33 &1/3% for complying Australian superannuation funds. No CGT discount is available to corporate Investors.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the Investor may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

The discount capital gains concession may be denied in certain circumstances where an Investor (together with associates) holds 10% or more of the issued Units of the Fund, the Fund has less than 300 beneficiaries and other requirements are met. Investors who together with associates are likely to hold more than 10% of the units in the Fund should seek advice on this issue.

Australian Taxation of Non-Resident Investors

Broadly speaking, distributions of any foreign source income to non-resident investors would generally not be subject to Australian withholding tax (unless, for example, the income is derived through an Australian permanent establishment of the non-resident investor). Australian withholding tax may be withheld from distributions or the attribution (as relevant) of Australian source income and gains to a non-resident investor. The various components of the taxable income of the Fund which will be regarded as having an Australian source may include Australian sourced interest and Australian sourced gains.

We recommend that non-resident Investors seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/Exchange of Information Agreement (**EOI**) between Australia and their country of residence.

Disposal of Units by Non-Resident Investors

Based on the Fund's investment profile, generally non-resident Investors holding their Units on capital account should not be subject to Australian capital gains tax on the disposal of Units in the Fund unless the Units were capital assets held by the Investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances to the disposal of units if the non-resident holds their units on revenue account. We recommend that non-resident Investors seek independent tax advice in relation to the tax consequences of the disposal of their Units.

GST

References to GST in this PDS are to GST payable in Australia. The Fund is registered for GST.

No GST should be payable on the acquisition, disposal, withdrawal or transfer of units in the Fund, nor on any income distributed in respect of the units held by a unitholder in the Fund.

GST may apply to fees and expenses charged to the Fund, and those fees and expenses plus any applicable GST may be recoverable from the assets of the Fund. However, depending on the nature of the fees and expenses, the Fund may be entitled to reduced input tax credits ('**RITC**s') in respect of that GST.

Under the GST regulations 'recognised trust schemes' (which includes the Fund) will only be eligible for an RITC of 75% of the GST it pays on acquisition of certain services (specifically, fund management and fund administration, brokerage and certain custody services). All other expenses incurred by the Fund should be eligible for a RITC of 55%.

Schroders advises that all fees and costs disclosed in this PDS inclusive of GST net of RITC have been calculated on a reasonable estimate of the RITC that the Fund is expected to be able to claim. Accordingly, the actual costs and expenses inclusive of GST net of RITC may be subject to change without prior notice due to the Fund's ability to claim RITC on the expenses incurred.

If the Responsible Entity is unable to claim input tax credits on behalf of the Fund, the Responsible Entity retains the ability to recover the entire GST component of all fees and charges.

The impact of GST payments and credits will be reflected in the Unit Price of the Fund. Investors should seek professional advice with respect to the GST consequences arising from their unit holding.

Tax file number

It is not compulsory for an Investor to quote their TFN or ABN. If an Investor is making this investment in the course of a business or enterprise, the Investor may quote an ABN instead of a TFN. Failure by an Investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions or attribution of income to the Investor. The Investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

By quoting their TFN or ABN, the Investor authorises the Responsible Entity to apply it in respect of all the Investor's investments with Fund. If the Investor does not want to quote their TFN or ABN for some investments, the Responsible Entity should be advised.

OECD Global Minimum Tax Rules

The Organisation for Economic Cooperation and Development (the '**OECD**') has been working to introduce a global minimum tax and many countries have agreed to introduce one. The global minimum tax is intended to ensure that very large businesses with companies based in two or more countries (that is, multinational groups with consolidated revenues over EUR 750 million) are subject to a minimum effective tax rate of 15% on their income arising in every country in which they operate. This is generally achieved where a company's tax liability in a country works out at under 15% by the tax liability being 'topped-up' to 15% for the company in that country.

The OECD's global minimum tax rules are complex and local implementation varies. The local rules normally contain various exemptions and exclusions. While there is generally an exclusion for investment funds, it only applies where the investment fund is the entity which owns the multinational group. Consequently, where a large multinational group invests in a Fund there is a risk of the global minimum tax rules applying to it with the result that in certain circumstances a tax or other related liability may arise to the Fund or another person. If the Fund suffers (or otherwise directly or indirectly bears the cost of) any such global minimum tax liability, this would affect the NAV of the Fund.

In December 2024, the following primary legislation for the implementation of the global minimum tax rules in Australia received royal assent:

- Taxation (Multinational - Global and Domestic Minimum Tax) Act 2024
- Taxation (Multinational - Global and Domestic Minimum Tax) Imposition Act 2024
- Treasury Laws Amendment (Multinational - Global and Domestic Minimum Tax) (Consequential) Act 2024

The global minimum tax rules apply with effect for fiscal years starting on or after 1 January 2024.
Investors in the Funds should be aware that Schroders may require information from them to enable it to consider the Fund's position with regard to any relevant global minimum tax rules and, if necessary to engage with the Australian Taxation Authority and any other local tax authorities as necessary.

Investors which are Institutional Investors should also be aware that they will be subject to the indemnity set out in the application form if any tax and/or other related liability arises in any jurisdiction under or in connection with global minimum tax rules to a Fund as a consequence of their investment (at any time) in the Fund.

11. Keeping you informed

Schroders is subject to regular reporting and disclosure obligations in its capacity as Responsible Entity of the Fund.

The following information can be obtained from Schroders by visiting Schroders' website at www.schroders.com.au or contacting us on 1300 070 714:

- Details of the NAV for the Fund – available monthly
- The latest copy of this PDS
- Annual reports and financial statements for the Fund
- Details of the Distribution Reinvestment Plan
- Information about distributions for the Fund
- Schroders unit pricing discretions policy

If you are a retail client as defined in the Corporations Act, you are also entitled to a periodic statement on your investments. The Underlying Fund produces a monthly report which, where available, includes sector and geography exposures, asset type mix and valuation changes.

Potential investors may obtain copies of audited financial statements and/or details of the underlying investments or current unit prices for the Fund by contacting Schroders (see 'Contacting Schroders' section of this PDS). Under the Constitution of the Fund, Schroders or its nominee has certain discretions in calculating unit prices. A documented unit pricing policy is maintained relating to the exercise of these discretions. A copy of the policy and documents relating to it are available free of charge on our website, www.schroders.com.au or by contacting Schroders (see 'Contacting Schroders' section of this PDS).

Online account access

Online account access is available for direct investors providing easy and convenient online access for you to:

- check the total value of your investments in the Fund;
- view your account summary, containing details such as the class of units you are invested in, the number of units you hold, their unit price and their total current value; and
- review your recent transaction history

Note that transactions cannot be made online.

Investors who wish to access their unit holding information online should register for this service at www.schroders.com.au. Investors will then be mailed a login ID, temporary password and activation instructions. Where relevant, we will provide your adviser or authorised representative with a separate login ID and password to access your account information.

Access is subject to terms and conditions that will be available online upon accessing this service.

Up-to-date information

Certain information in this PDS may change from time to time. Where we indicate to you that we will give notice of such changes, or where the updated information includes no materially adverse information, we will publish the updated information on our website, www.schroders.com.au. A copy of the updated information will be available free of charge upon request by contacting Schroders (see 'Contacting Schroders' section of this PDS). Where a change is considered materially adverse, we will issue a supplementary PDS or a replacement PDS.

Continuous disclosure

Where the Fund is a 'disclosing entity' as defined in the Corporations Act, it will be subject to continuous disclosure and reporting obligations under the Corporations Act.

We will meet our continuous disclosure obligations by publishing material information on our website www.schroders.com.au. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at an ASIC office. You have a right to obtain a copy of the following documents from us at no charge:

- The Fund's annual financial report most recently lodged with ASIC;
- Any half yearly report lodged with ASIC after the lodgement of the annual report and before the date of this PDS; or
- Any continuous disclosure notices given by the Fund after lodgement of the annual or half yearly report and before the date of this PDS.

12. Our legal relationship with investors

The Corporations Act, general law and the Constitution set out the rights and interests of the unitholders in the Fund as investors and also set out the rights, duties and obligations of Schroders as the Responsible Entity of the Fund.

Compliance plan

In accordance with the Corporations Act, a compliance plan has been prepared for the Fund and lodged with ASIC. The compliance plan, among other things, sets out the measures that Schroders will apply to ensure that the Fund is operated in accordance with the Constitution and the Corporations Act. The compliance plan will be audited at least once a year by an external auditor who will report on their findings to Schroders. A compliance committee, with a majority of external members, has been established for the purpose of monitoring Schroders' adherence to the Fund's compliance plan.

Constitution

The Fund is governed by its Constitution. The main provisions of the Constitution are summarised below.

The Constitution is legally binding between Schroders and each unitholder.

To the extent of any inconsistency between this PDS and the Constitution, the provisions of the Constitution will prevail. Subject to the Corporations Act, Schroders, as the Responsible Entity, may amend the Constitution. We will provide a copy of the Constitution on request at no charge. To request a copy please contact us using the details specified in the 'Contacting Schroders' section of this PDS.

Rights and liabilities of unitholders

Each unit carries with it an equal beneficial interest in the Fund as a whole but not in any particular asset of the Fund. Fund income is only distributed to registered unitholders entitled to a distribution as at the last Business Day of the distribution period. Unitholders may not interfere with Schroders' powers or exercise any rights in respect of any investment of the Fund. Under the Constitution and the Corporations Act unitholders may:

- transfer units in the Fund;
- requisition, attend and vote at meetings of the Fund;
- share in the income and capital distributions of the Fund; and
- participate in the winding up of the Fund.

Generally, the Constitution limits a unitholder's liability to Schroders as the Responsible Entity to the value of that unitholder's investment in the Fund. However, no absolute assurance can be given due to the fact that this has not been tested in superior courts.

Liability of Schroders as the Responsible Entity

Subject to the Corporations Act, and except in the case of its own fraud, gross negligence, or wilful default, Schroders is not liable to Unitholders for any loss or damage suffered in any way relating to a Fund. Schroders is not liable to any person except to the extent that it is in fact able to be indemnified out of the assets of a Fund. To the extent permitted by law, Schroders is indemnified out of the assets of the Fund for any liability incurred by it in relation to the proper performance of its duties in relation to the Fund.

Retirement and removal of Schroders as the Responsible Entity

Schroders may be removed as Responsible Entity of the Fund in the circumstances set out in the Constitution and the Corporations Act, including where unitholders pass an extraordinary resolution to remove Schroders as the Responsible Entity. Schroders may also retire voluntarily and must call a meeting of unitholders who may choose a replacement by extraordinary resolution.

Termination of the Fund

Schroders may terminate the Fund at any time by giving notice to unitholders or in the circumstances provided in the Corporations Act, including pursuant to an extraordinary resolution passed by unitholders. Where the Fund is terminated, Schroders must sell all the assets of the Fund and distribute the net proceeds to unitholders in proportion to the number of units held.

13. Dealing with complaints

Schroders has procedures in place for dealing with complaints. Unitholders with enquiries should contact Schroders. You can make a complaint by contacting us by email, phone, through our website (details can be found on page 1), or by writing to us at:

Client Services Manager

Schroder Investment Management Australia Limited

GPO Box 5059

Sydney NSW 2001

We will seek to acknowledge receipt of your complaint in writing as soon as reasonably practicable and in any event within 1 Business Day from receipt, and address your complaint within 30 days. If Schroders has not addressed your complaint, or if you are not satisfied with our resolution of your complaint, or if your complaint remains unresolved, you can refer your complaint to the independent complaints resolution body, the Australian Financial Complaints Authority (**AFCA**) at info@afca.org.au or 1800 931 678. Claims determined by AFCA are subject to maximum limits on the total value of the remedy that can be awarded. Please see the terms of reference for AFCA found at www.afca.org.au. AFCA is only available to retail clients. AFCA is not available to New Zealand unitholders. If you are a New Zealand unitholder, please see the 'Warning Statement for New Zealand investors' in this PDS for further details on how you may complain.

14. Terms and conditions

An investor agrees to be bound by the following terms and conditions:

Conditions and acknowledgements

An investor agrees to be bound by the following terms and conditions:

1. Facsimile, email or online instructions terms and conditions

By sending an electronic communication (such as an email) the investor accepts the following terms and conditions:

- The investor authorises Schroders and any of its authorised agents to act upon instructions given electronically with respect to Units subscribed for (and any further Units purchased) or any matter in connection with them without any liability in respect of any transfer, payment or any other act done in accordance with such instructions, including payment of proceeds from sales of Units.
- The investor bears the risk that someone who knows their account details may send Schroders an instruction to apply or withdraw electronically. Any action taken by that person will be deemed to be taken by the investor. Schroders is not responsible to the investor for any fraudulently completed communications. Schroders will not compensate the investor for any losses.

- The investor bears the risk that the use of this arrangement may result in the duplication of instructions received by Schroders. Schroders will not compensate investors for any losses arising from the processing of duplicate instructions.
- The investor agrees to release, discharge and indemnify Schroders, and any other related or associated entities of Schroders, from and against any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities, however arising out of the use of such methods of instruction.
- Schroders will only act on a properly completed communication that has been received by Schroders. For example, a facsimile transmission certificate from the investor's facsimile machine is not evidence that the investor's facsimile was received by Schroders. Similarly, a record on the investor's email software showing that an email has been sent is not evidence that the email was received by Schroders. Schroders is not liable for any loss or delay resulting from the non-receipt of any transmission.
- Schroders may cancel this arrangement or vary these conditions on 14 days' notice.
- Initial application, instructions to change payment details or signatories sent electronically will not be accepted without prior agreement by Schroders.
- The investor bears the risk of delays in processing instructions if an electronic communication is incorrectly sent (for example, an email to the wrong email address).

2. Signatories' terms and conditions

- If the investor has granted a power of attorney, the attorney declares that he/she has not received notice of revocation of that power. A certified copy of the power of attorney should be submitted unless it has been provided previously to Schroders
- If investing as trustee on behalf of a superannuation fund or trust, the trustee confirms that they have the power and authority under the relevant trust deed to invest on behalf of the superannuation fund or trust
- If investing on behalf of an unincorporated entity, the officer confirms that they have the power and authority under the relevant rules/constitution to invest on behalf of the entity
- In the case of joint applications, the investors agree to hold the units as joint tenants and acknowledge that, unless otherwise stated, either investor is able to operate the account
- If investing as a company/incorporated association, the investor confirms that they are officers of the company/ incorporated association and that they have the authority to bind the company/ incorporated association to the investment. If they are a sole signatory signing on behalf of a company, the investor confirms that they are signing as the sole director/secretary of the company
- Each individual investor confirms that they are 18 years of age or over.
- Where a document received by Schroders bears a signature of an investor that has been applied electronically, or includes a scanned or other form of electronic copy of a signature of an investor, and the signature appears to be authentic, Schroders will be entitled to assume (without making any further enquiries) that the investor has applied, or has authorised the application of, the signature and to act on the document as if it had been signed by the investor, and the investor agrees to release, discharge and indemnify Schroders, and any other related or associated entities of Schroders, from and against any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities, however arising as a result of the above. Please note that physical signatures may still be required for certain documents.
- By acquiring and holding Units each investor:
  - Agrees to be bound by the provisions of this PDS and the Fund's Constitution (which may be amended from time to time).
  - Acknowledges that Schroders reserves the right to refuse an application for units at its discretion.
  - Declares that they have read the current PDS at the time of acquisition.
  - Acknowledges that neither Schroders nor any other person guarantees the return of capital, or the performance of the Fund.
  - Acknowledges that telephone conversations with Schroders may be recorded.
  - Authorises Schroders to apply the Tax File Number or Australian Business Number quoted to all investments in the name of the investor (if applicable).
  - Authorises Schroders to collect, hold, use and disclose personal information about the investor in accordance with Schroders' Privacy Statement and the privacy statement in this PDS, including for direct marketing.

3. Adviser/consultant/broker and authorised signatories' terms and conditions

If the adviser/consultant/broker or authorised signatories section of the application form has been completed, the investor confirms that the following terms and conditions will apply to the appointment (subject to applicable legal requirements):

- Schroders will only pay the investor. Payment to third parties is not permitted
- Schroders may treat the exercise of any power by a person reasonably believed to be acting as an

investor's adviser/ consultant/broker or authorised signatory as if the investor had personally exercised those powers. An investor cannot claim that their adviser/consultant/broker or authorised signatory was not acting on their behalf until the arrangement is discontinued by written notice being received by Schroders

- Schroders is authorised to disclose information about an investor's investment in the Fund to the investor's adviser/ consultant/broker or the authorised personnel of the adviser/consultant/broker
- The investor's adviser/consultant/broker or authorised signatory does not have the power to appoint another authorised signatory for an investor's investment. Only the investor has this power
- The investor agrees to release, discharge and indemnify Schroders and any other related or associated entities of Schroders from and against any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities, however arising out of the use of this arrangement or the appointment or exercise of powers by the adviser/consultant/broker or authorised signatory
- If the payment is made in accordance with the request or instructions of the adviser/consultant/broker or authorised signatory, the investor shall have no claim against Schroders and any related or associated entities in relation to the payment
- Any document or information required to be provided to the investor under any law that is given by Schroders to the adviser/consultant/broker or authorised signatory, in accordance with the requests or instructions of the adviser/consultant/broker or authorised signatory, shall be to the complete satisfaction of the obligation of Schroders, notwithstanding whether the document or information was requested, made or received without the investor's knowledge or authority
- The investor is bound by the actions of the adviser/ consultant or authorised signatory in relation to the operation of their investment in the Fund
- A person who gives another person access to the application form must at the same time and by the same means give the other person access to the PDS and any supplementary document. While the PDS is current, Schroders will send paper copies of the PDS, any supplementary document and the application form on request without charge
- Schroders may cancel this arrangement or vary these conditions without notice

4. AML/CTF acknowledgement

By applying to invest in a Fund you warrant that:

- You comply and will continue to comply with applicable AML and CTF laws and regulations, including but not limited to the law and regulations of Australia in force from time to time ('**AML/CTF Law**');
- You are not aware and have no reason to suspect that:
  - The monies used to fund your investment in a Fund have been or will be derived from or related to any money laundering, terrorism financing or similar activities illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement ('illegal activity'); or
  - The proceeds of your investment in a Fund will be used to finance any illegal activities.
- You will provide us with all additional information and assistance that we may request in order for us to comply with any AML/CTF Law; and
- You have disclosed to us if you are a 'politically exposed' person or organisation for the purposes of any AML/CTF Law.

You acknowledge that Schroders may, in its sole and absolute discretion but otherwise in accordance with the law, vary the terms of this PDS or alter the arrangements in respect of the Fund, where Schroders is required to do so due to changes in AML/CTF law.

By applying to invest in the Fund, you also acknowledge that we may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of units in the Fund, if we are concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under any AML/CTF Law, and we will incur no liability to you if we do so. You further acknowledge that Schroders is under no obligation to inform you of its intention to do any of the above, or the fact that it has done any of the above, nor is Schroders obliged to provide you with its reasons for any such actions.

5. Foreign Account Tax Compliance Act (FATCA) acknowledgment

Certain 'foreign financial institutions' ('**FFIs**') are required to comply with FATCA. In order to avoid withholding tax of 30% on payments of US income or gross proceeds of the sale of certain US investments the Fund as an FFI must comply with certain reporting requirements. These include the collection and reporting of certain information about US and US-owned investors to the US tax authorities. The Fund may request certain information from investors to comply with its obligations under FATCA.

Schroders may be required to deduct and withhold tax from payments made to non-US investors in the Fund if the investors are FFIs and they fail to comply with the reporting requirements imposed under FATCA.

The investor acknowledges that where Schroders becomes aware at any time that units in the Fund are beneficially owned by a US Person, a US owned non-US entity, a non- participating FFI or a person who fails to provide the requisite documentation in relation to its

US tax status, Schroders may at its sole discretion compulsorily redeem those units.

6. Common Reporting Standard (CRS)

Australian financial institutions ('**AFIs**') are required to comply with the Common Reporting Standard ('**CRS**'). CRS provides a global standard for the collection of financial account information on account holders who are foreign tax residents. The Fund as an AFI must comply with the reporting requirements. As investors in the Fund, you are required to certify certain information about your tax residency status before we accept your application. Under CRS, we will be required to report details of foreign tax residents together with details of their investments to the Australian Taxation Office ('**ATO**'). The ATO may exchange financial account information with participating foreign jurisdictions.

You agree to provide all the necessary information and certification required by Schroders to meet our obligations under CRS.

7. Taxation indemnity – for Institutional Investors only

If any tax and/or other related liability arises in any jurisdiction under or in connection with any global minimum tax rules applicable to the Fund as a consequence of your investment in the Fund, then you may be required to indemnify (on an after-tax basis), by way of payment on demand, as appropriate, the Fund against such tax and/or other related liabilities. This obligation will continue to apply after you have disposed of your holding in the Fund.

If you do not satisfy this obligation but still have a holding in the Fund, then we may either:

1. realise an appropriate proportion of your holding in the Fund and use the net proceeds to satisfy the obligation on your behalf; or
2. retain any amount to be distributed to you to satisfy, in whole or in part, any amounts required to be indemnified on your behalf (any amount so retained being treated for all relevant purposes as having been distributed by the Fund to you).

8. US Persons

Neither Schroders nor the Units in the Fund have been registered under the United States Investment Company Act of 1940, the United States Securities Act of 1933 ('**US Securities Act**') or any other US law or regulation. Investment in the Fund is not available to US Persons (as that term is defined in the US Securities Act), and Schroders will generally cause the compulsory withdrawal of any Units held by a US Person if to do otherwise may cause adverse consequences for the Fund, including requirements to register under or otherwise comply with US laws and regulations.

By acquiring and holding Units, each investor:

– Confirms that they are not a US Person (or a person covered under any similar definition under any other applicable US law), unless otherwise notified to Schroders in writing; and

– Undertakes to inform Schroders in writing if, after units are issued to them, they later become a US Person (or a person covered under any similar definition under any other applicable US law).

9. Privacy

Schroders must comply with the Privacy Act. This Act generally regulates the collection, storage, quality, use and disclosure of personal information. Schroders may collect personal information from investors to provide its products and services. The Corporations Act, the AML/CTF Act and the DDO Regime require Schroders to collect certain personal information about you. In accordance with Schroders' Privacy Policy, in most cases, investors have rights to access their personal information. Schroders can use your personal information to assess your application for the investment product and, if you obtain the product, to manage that product.

If you do not want us to use your personal information for direct marketing purposes please contact our Client Services team at the address set out below.

Schroders may disclose your personal information to anyone you have authorised, or any broker, adviser, consultant or dealer group advising you or acting on your behalf, government departments or agencies as well as any related entities of Schroders and anyone acting on Schroders' and/or the broker/adviser/consultant/dealer group's behalf such as external service providers who supply administrative, financial or other services to assist Schroders and/or the broker/adviser/consultant/dealer group in providing financial services. If we are not able to collect all the personal information we require, we may not be able to assess your application for the investment product or manage the product. Schroders or its external service providers may be required to transfer your personal information to entities located outside of Australia including London, Luxembourg, India and Singapore where it may not receive the level of protection afforded under Australian law.

Please note that if you provide personal information to Schroders about another person, you warrant that you are authorised by that person to do so and that you have informed that person of the information in this Privacy section.

Enquiries regarding access to personal information must be in writing and addressed to:

Schroder Investment Management Australia Limited
GPO Box 5059

Sydney NSW 2001

Further information on how Schroders handles personal and sensitive information can be found in

the Privacy Statement that is available on the

Schroders website www.schroders.com.au. A copy of this Privacy Statement may be obtained free of charge upon request.

The Privacy Statement also contains information about how you can access and correct the information about

you held by Schroders as well as how complaints may be made and how they will be dealt with by Schroders. Schroders is subject to mandatory data breach reporting obligations. If an eligible data breach occurs, we will notify the Office of Australian Information Commissioner and any affected individuals of the event where required under these obligations.

15. Warning statement for New Zealand investors

If you are a New Zealand investor we are required to provide the following warning statement to you under New Zealand law.

Warning Statement

- This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
- There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
- Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.
- The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

Currency exchange risk

- The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

16. Glossary

ADIs	means Authorised Deposit-taking Institution (as that term is defined in the Banking Act 1959 (Cth)).
AMIT	means Attribution Managed Investment Trust.
AML/CTF Law	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and the associated rules.
AMMA Statement	means Attribution Managed Investment Trust Member Annual statement.
ASIC	means the Australian Securities and Investments Commission or if it ceases to exist, any regulatory body or authority as then serves substantially the same objects.
Business Day	means any day excluding a Saturday or Sunday on which banks are open for business in Sydney.
Constitution	means the constitution of the Fund, as amended or replaced from time to time.
Corporations Act	means the Corporations Act 2001 (Cth).
DDO Regime	means the requirements of Part 7.8A of the Corporations Act (including as interpreted by ASIC in its published guidance).
Dealing Day	means a Business Day that has not been designated a 'non-dealing day' in accordance with section 7.
FATCA	means the Foreign Account Tax Compliance Act enacted by the United States that imposes obligations including the collection and reporting of certain information about US and US-owned investors to the US tax authorities.
Fund	means the Schroder Specialist Private Equity Fund, which is a registered managed investment scheme under the Corporations Act.
GST	means any goods and services tax, consumption tax, value- added tax or similar impost or duty which is or may be levied or becomes payable in connection with the supply of goods or services.
Institutional Investor	means an investor that is not an individual and is part of a global corporate group.
Investment Manager	means Schroders Capital Management (Switzerland) AG1, the investment manager of the Underlying Fund.
NAV or Net Asset Value	means the total assets minus the total liabilities of the Fund, units or portfolio in question, as determined in accordance with the Constitution.
Negative Screens	refers to the deliberate exclusion of companies from an investment portfolio based on a defined set of criteria.
Privacy Act	means the Privacy Act 1988 (Cth).
Regulated Markets	a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.
Responsible Entity	has the meaning defined in the Corporations Act. The Responsible Entity of the Fund is Schroder Investment Management Australia Limited.
RITC	means a 'reduced input tax credit' as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
Schroders Group	means Schroders plc and its subsidiaries.
TMD	means the target market determination prepared for the Fund in accordance with the DDO Regime. A copy of the current TMD for the Fund is available on the Schroders website www.schroders.com.au.
Underlying Fund	means the I-AUD class of units in the Schroders Capital Semi-Liquid Global Private Equity which is an open-ended investment company organised as a 'société anonyme' under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ('**SICAV'**) and as an

	alternative investment fund within the meaning of article 1 (39) of the Luxembourg 2013 Law on alternative fund managers.
Unit	means a unit in the Fund.

17. Contacting Schroders

Schroder Investment Management Australia Limited
(ABN 22 000 443 274)
(AFSL No. 226 473)

Registered office
Level 17, 39 Martin Place
Sydney NSW 2000

Schroders unit registry
C/o MUFG Corporate Markets (AU) Limited
Locked Bag 5038
Parramatta NSW 2124

Website
www.schroders.com.au

Email
info.schroders@cm.mpms.mufg.com

Client services telephone
(+61) 1300 136 471