

Schroder Investment Management North America Ltd Advisory Brochure

March 2020

ITEM 1: Cover Page

Schroder Investment Management North America Ltd (the "Adviser" or "SIMNA Ltd") is an affiliate of Schroders plc, a global asset management company. Both are based in London, UK. The Adviser is registered with the Securities and Exchange Commission (the "Commission") as an investment adviser and authorised and regulated by the Financial Conduct Authority. This brochure provides information about the products and services that the Adviser provides. It also contains a description of the Adviser's business practices and highlights risks and conflicts that might arise. The brochure also contains a description of the qualifications of the Adviser's management personnel. Supplementary brochures are available that describe the qualifications of the investment personnel in more detail for specific investment strategies.

The information presented in this brochure was prepared by the Adviser, which is solely responsible for the content. Neither the Commission nor any State securities regulator has approved or verified the information contained in this brochure, and the mere fact of registration with the Commission in no way implies that the adviser has any particular level of skill or training to carry out its business.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMODITY FUTURES TRADING COMMISSION. THE COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.

If you have any questions about the content of this brochure, please contact us at the telephone number or e-mail address provided above. For specific questions about particular advisory services or products described in this brochure, you can find additional contact information at this worldwide website:

<http://www.schroders.com/us/contact-us>.

Additional information about Schroder Investment Management North America Ltd is also available on the SEC's website at www.adviserinfo.sec.gov.

This brochure is the fourteenth amendment to the Firm's Advisory Brochure.
This version includes information regarding:
Updates to Item 4, 5 and 8 to update information about a number of strategies
and added information about some new strategies that are now marketing in the
US.

ITEM 2: **Statement of Material Changes**

ITEM 3: Table of Contents

ITEM 2: Statement ofMaterial Changes..... 2

ITEM 4: Business Advisory..... 4

ITEM 5: Fees and Compensation 8

ITEM 6: Performance-Based Fees andSide-by-Side Management 15

ITEM 7: Types of Clients..... 15

ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss..... 16

ITEM 9: Disciplinary Information 39

ITEM 10: Other Financial Industry Activities and Affiliations..... 39

ITEM 11: Code of Ethics, Participation in Client Transactions and Personal Trading 40

ITEM 12: Brokerage Practices 41

ITEM 13: Review of Accounts 45

ITEM 14: Client Referrals andOther Compensation..... 45

ITEM 15: Custody 45

ITEM 16: Investment Discretion 45

ITEM 17: Voting Client Securities 46

ITEM 18: Other Financial Information 47

ITEM 19: Requirements for State-Registered Advisers 47

Index: 48



The Adviser is an affiliate of Schroders plc, a London Stock Exchange-listed financial services company. The Adviser is indirectly owned in its entirety by that public company. Trustees of certain settlements made by members of the Schroder family hold in excess of 25% of the voting shares of Schroders plc. Schroders has been in business since 1804. The Adviser registered with the Securities and Exchange Commission in 1990.

The Adviser manages assets for domestic and foreign clients through delegation from its affiliate adviser, Schroder Investment Management North America Inc. ("SIMNA Inc."). Portfolio managers for the Adviser

generally work as portfolio managers for offshore affiliated advisers as well. The portfolio managers most often manage assets in the same strategy for a UK affiliate called Schroder Investment Management Ltd. That adviser is regulated by the UK Financial Conduct Authority and is not registered with the SEC. Schroder Investment Management Ltd does not do business in the US.

The non-US Equity and Fixed Income strategies that the Adviser manages for SIMNA Inc. are:

- Global/International Diversified
- Global/International Alpha
- International Alpha ADR
- Global/International Small Cap
- Emerging Markets Equity
- Global Climate Change
- Global Sustainable Growth
- Global Emerging Markets Small Cap
- Frontier Markets Equity
- Swiss Equity
- Asian Equity
- Indian Equity
- China Fixed Income
- Global Strategic Bond

The quantitative equity strategies are:

- Global Core
- International (ex-US) Multi-Cap Value
- Global Multi-Cap Value
- Global Multi-Cap Quality
- Global / International ESG
- Emerging Markets Multi-Cap
- North American Equity

The multi-asset strategies are:

- Strategic Beta

ITEM 4: Business Advisory



- Diversified Growth
- Alternative Risk Premia
- Sustainable Multi-Factor Equity
- Global Multi-Factor Equity

The Adviser also offers alternative investment strategies including:

- Commodities
- Emerging Market Debt (Absolute Return)
- Insurance Linked Securities

The Adviser also offers Portfolio Solutions strategies including:

- Risk-Managed US Equities
- Risk-Managed International Equities

For investment products and services managed by the Adviser, our affiliated adviser in the US, SIMNA Inc., markets products or services to US investors. The Adviser does not ordinarily take on clients directly. Clients and prospective clients contemplating investment in products managed by the Adviser enter agreements with SIMNA Inc., which then delegates management to the Adviser. Prospective clients will receive a similar brochure for SIMNA Inc. and should read carefully the disclosures in that brochure as well.

The Adviser primarily manages assets on a discretionary basis for SIMNA Inc. Substantially all of its accounts resulted from delegation of management authority from SIMNA Inc. The Adviser does not directly advertise, solicit clients or distribute products in the US. Its role in marketing is limited to assisting SIMNA Inc. prepare their own material for its use. SIMNA Inc. independently makes decisions about what marketing material it will provide to US Investors. The types of clients for which the Adviser provides sub-advisory services include institutions, endowments, foundations, pension funds, government retirement plans, and insurance companies and, to registered investment companies.¹

The specific guidelines for these types of accounts are generally the subject of negotiation between SIMNA Inc. and prospective clients. Clients may provide restrictions that differ from the Adviser's usual style of managing for a particular strategy. Some strategies may have more latitude for accepting deviations from the ordinary management style of a strategy. The Adviser must approve any guidelines agreed to by SIMNA Inc., but the Adviser does not directly negotiate with those prospective clients.

The Adviser has also registered as a Portfolio Manager in several Canadian provinces: Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec, New Brunswick and Saskatchewan.

¹In mutual fund sub-advisory arrangement, the investment adviser appointed by the board of the fund delegates to another advisor the actual selection of securities for the fund, typically on a discretionary basis. Other responsibilities for operation of the fund – such as pricing, marketing and preparing information for the fund board – are retained by the principal adviser.



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The Adviser does not actively manage accounts in wrap fee programs. SIMNA Inc. may agree to provide a model portfolio to some wrap sponsors. If the Adviser manages those strategies, it devises the model that SIMNA Inc. provides. All orders for the program's accounts are raised by the wrap fee program sponsor. Each sponsor exercises investment discretion and executes each client's portfolio transaction based on such sponsor's own judgement. The Adviser does not provide model portfolios based on the individual needs of any one client.

The table below shows the assets under management:

As of December 31, 2019	Assets	# of Accounts
Delegated from SIMNA Inc.	\$ 48,407,493,171	70
Managed by SIMNA Ltd.	\$ 48,407,493,171	70



The Adviser generally manages portfolios for SIMNA Inc. pursuant to delegation arrangements. SIMNA Inc. determines the fees for prospective clients and consults with the Adviser concerning the fees for the strategies that the Adviser manages. SIMNA Inc. may negotiate a different fee with its clients based on the circumstances, subject to the agreement of the Adviser. SIMNA Inc. and the Adviser agree upon a split of the fee that SIMNA Inc. negotiates with a prospective client.

The prospectus of each registered fund sub-advised by the Adviser sets forth the applicable fees and expenses. With respect to unregistered private funds managed by SIMNA Inc. and delegated to the Adviser, the applicable fees and expenses are set forth in the relevant offering or governing documents, or in certain cases, in a separate fee agreement between SIMNA Inc. and an investor in a private fund.

The standard fee structure that SIMNA Inc. and the Adviser have established for separate accounts in the strategies that the Adviser sub-advises are set forth below.

ITEM 5: Fees and Compensation

1. Equities

Global/International Diversified

Separate Account

Management fee: 0.50% on first \$100 million;
0.40% on next \$100 million; and
0.35% thereafter

Minimum account size: \$50 million

Global/International Alpha

Separate Account

Management fee: 0.60% on first \$100 million;
0.50% on next \$100 million; and
0.45% thereafter

Minimum account size: \$50 million

International Alpha ADR

Offered only through model delivery to wrap-fee program sponsors.

Global/International Small Cap

Separate Account

Management fee: 0.95% on all assets

Minimum account size: \$100 million

Emerging Market Equity

Separate Account

Management fee: 1.00% on first \$100 million;
0.80% on the next \$100 million; and
0.65% thereafter

Minimum account size: \$100 million

Global Climate Change

Separate Account

Management fee: 0.70% on first \$100 million;
0.60% on the next \$100 million; and
0.55% thereafter



Minimum account size: \$100 million

Global Sustainable Growth

Separate Account

Management fee: 0.65% on first \$100 million;
0.60% on the next \$100 million; and
0.55% thereafter

Minimum account size: \$50 million

Global Emerging Markets Small Cap

Separate Account

Management fee: 1.35% on first \$100 million; and
1.10% thereafter

Minimum account size: \$100 million

Frontier Markets Equity Portfolio

Separate Account

Management fee: 1.35% on first \$100 million; and
1.10% thereafter

Minimum account size: \$50 million

Swiss Equity

This strategy is available only through a pooled investment vehicle.

Asian Equity

This strategy is available only through a pooled investment vehicle.

Indian Equity

This strategy is available only through a pooled investment vehicle.

China Fixed Income

Separate Account

Management fee: 0.35% on first \$100 million;
0.30% on the next \$100 million; and
0.25% on the next \$100 million; and
0.20% thereafter

Minimum account size: \$100 million

2. Fixed Income

Global Strategic Bond

Separate Account

Management fee: 1.00% on all assets and performance fee

Minimum fund size: \$50 million



3. Quantitative Equity Products (QEP)

Global Core

Separate Account

Management fee: 0.25% on the next \$200 million; and
0.15% thereafter
Minimum account size: Typically \$200 million

International (ex-US) Multi-Cap Value

Separate Account

Management fee: 0.70% on first \$100 million;
0.55% on the next \$100 million; and
0.40% thereafter
Minimum account size: Typically \$100 million

Global Multi-Cap Value

Separate Account

Management fee: 0.70% on first \$100 million;
0.55% on the next \$100 million; and
0.40% thereafter
Minimum account size: Typically \$150 million

Global Multi-Cap Quality

Separate Account

Management fee: 0.70% on first \$100 million;
0.55% on the next \$100 million; and
0.40% thereafter
Minimum account size: Typically \$150 million

Global / International ESG

Separate Account

Management fee: 0.70% on first \$100 million;
0.55% on the next \$100 million; and
0.40% thereafter
Minimum account size: Typically \$150 million

Emerging Markets Multi-Cap

Separate Account

Management fee: 0.75% on first \$200 million;
and 0.60% thereafter
Minimum account size: Typically \$150 million

North American Equity

This strategy is available only through a pooled investment vehicle.



4. Multi Asset

Strategic Beta

Separate Account
Management fee: 0.35% on first \$200 million;
0.30% on the next \$300 million; and
0.25% thereafter
Minimum account size: \$300 million

Diversified Growth

Separate Account

AUM Management Fee
First \$200m 0.55%
Next \$300m 0.475%
Next \$500m 0.425%
Next \$500m 0.40%
Thereafter 0.375%

Minimum account size: \$300 million

Alternative Risk Premia

Separate Account
Management fee: 0.65% on the first \$250 million;
0.60% on the next \$250 million; and
0.55% thereafter
Minimum account size: \$250 million

Sustainable Multi-Factor Equity

Separate Account
Management fee – 0.20%
Minimum account size: \$250 million

Global Multi-Factor Equity

Separate Account
Management fee – 0.20%
Minimum account size:\$250 million

Sustainable Dynamic Balanced

This strategy is available only through a pooled investment vehicle.

5. Alternatives

Emerging Market Debt

Separate Account
Management fee: 0.80% on the first \$50 million;
0.70% on the next \$50 million;
0.60% on the next \$100 million; and



0.50% thereafter
Minimum account size: \$100 million

Commodities

Separate Account

Management fee: 0.80% on all assets
Minimum account size: \$100 million

Insurance Linked Securities

This strategy is available only through a pooled investment vehicle.

6. Portfolio Solutions

U.S. Risk-Managed Equities

Separate Account

0.20% on first \$250 million
0.15% on balance
\$150,000 per annum minimum fee
Fees are assessed on notional exposure rather than the assets under management

International Risk-Managed Equities

Separate Account

0.20% on first \$250 million
0.15% on balance
\$150,000 per annum minimum fee
Fees are assessed on notional exposure rather than the assets under management

Subject to consultation with the Adviser, SIMNA Inc. sometimes negotiates and agrees to fees on a different basis where the circumstances warrant it. SIMNA Inc. sometimes agrees to a lower fee, for example, where the amounts managed significantly exceed the minimum investment. Fee proposals made by the Adviser in connection with Request for Proposals ("RFPs") sometimes vary from the published fee schedule. The Adviser sometimes negotiates fees where the client has multiple existing accounts. Some clients have fees based on a different fee schedule in effect at the time agreements were originally executed and new funds the client added to the original account would receive the original fee. Fees sometimes are also be higher for clients who seek specialized mandates that vary significantly from the standard strategies managed for other clients. SIMNA Inc. and the Adviser generally have agreed on a minimum account size as shown under Item 5. In consultation with the Adviser, SIMNA Inc. may waive the minimum account size.

SIMNA Inc. collects fees paid by clients for which the Adviser is providing portfolio management services. Please see the disclosures in the SIMNA Inc. brochure relating to its policies regarding the timing of fees. Advisory clients incur other expenses apart from the advisory fee. These expenses typically include custody fees, brokerage services and other transaction fees. Funds and partnerships will have other expenses that may include legal, and accounting fees. Fund and partnership fees are shared by all



participants in the vehicle.

The Adviser may also use non-affiliated money market funds as temporary investment vehicles for certain of its advisory accounts. Investing in money market funds for client accounts will incur a separate advisory fee paid to the manager of the money market fund. The client is responsible for that fee unless otherwise agreed or prohibited by law.

Neither the Adviser nor any of its employees accept compensation for the sale of securities or other investment services or products from third parties such as issuers or intermediaries. Please review Item 12 for disclosures about our brokerage practices and research provided by brokers.



SIMNA Inc. sometimes enters into agreements for performance-based fees with qualified clients relating to strategies that the Adviser sub-advises. Some private funds also have fees calculated in part on performance. The Adviser receives a portion of the performance fees that SIMNA Inc. collects. There sometimes are instances in which a portfolio manager is managing accounts in the same strategy that have differences in the fee paid by difference accounts. This would include the management “side-by-side” of accounts with performance based and non-performance based fees. Managers have a potential conflict of interest arising from the fee difference among accounts. The Adviser monitors for such conflicts by reviewing account performance.

Accounts in the same strategy are included in a single composite for the purposes of performance presentations for that strategy. Trades for accounts in the same strategy are generally carried out as aggregated trades. In such trades, each account gets an average price and shares pro rata in the transaction costs. Where trades are done in the aggregate, a portfolio manager cannot favor one account over the other. In addition, where applicable, an investment risk committee which typically consists of investment staff, product managers and investment risk team members oversees these composites including a review of any account that is an “outlier.” An outlier would be any account that deviated significantly from the performance of the composite as a whole. Product managers or portfolio managers are required to explain whenever account performance is significantly different than composite results. The Adviser believes that the outlier review would identify accounts that needed further analysis if a manager unduly favored one account in the same strategy.

The Adviser provides investment management services predominantly to its US affiliate, SIMNA Inc., by sub-advising on investment management agreements that SIMNA Inc. has entered with institutions, endowments, foundations, pension funds, government retirement plans, and insurance companies or as sub-adviser to registered investment companies sponsored by other advisers. These clients and prospects are usually sophisticated investors.

The Adviser sub-advises private institutional vehicles including trusts and partnerships that SIMNA Inc. offers only on a private placement basis. In order to invest in private vehicles, prospective clients generally must be “qualified purchasers” as defined under Section 2(a)(51) of the Investment Company Act of 1940. The Adviser reserves the right not to enter into an advisory agreement with any person or institution for any legally acceptable reason.

ITEM 6: **Performance-Based Fees and Side-by-Side Management**

ITEM 7: **Types of Clients**



EQUITIES

1. International and Global Small Cap

The International and Global Small Companies strategy has a core investment style with a growth bias. It is managed in London for the Adviser by a team led by Matthew Dobbs. The investment strategy uses a bottom-up, fundamental, research-based approach. The portfolio managers and analysts seek to identify those companies that have compelling business models, strong management teams, attractive valuation levels and favorable long-term growth prospects. The team invests in undervalued stocks where it identifies catalysts for appreciation. The portfolio of approximately 150-200 stocks (approximately 250-300 for Global Small Cap) is diversified by region, country and type of company. It contains companies that typically exhibit solid return and growth characteristics, stronger than average balance sheets and cash flow attributes, and valuations broadly similar to or below those of the universe. The focus is on companies' long-term growth prospects with an investment horizon of approximately three years. The team seeks to manage risk at the security and country level.

The portfolio managers pick stocks within a regional framework. The team reviews an entire portfolio, monitors the overall sector positioning and attempts to ensure that the balance of risks and return is within expectations. The team also determines how to distribute the portfolio among regions, placing emphasis on regions with the most attractive prospects for smaller companies.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, volatile political conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, enhanced risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets. Investments in small capitalization companies generally carry greater risk than is customarily associated with larger capitalization companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies, and less liquidity.

2. Global and International Equities

The Global and International Equity strategies offers a concentrated, fundamental research-driven approach, aimed at delivering strong outperformance over the longer term within the context of a risk management framework. The portfolio management team, led by portfolio managers Alex Tedder and Simon Webber, works to identify those companies which will deliver positive earnings surprise (we term this 'positive growth gap'). The strategies focus on selecting the

ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss



best investment ideas that are identified by a team of locally based equity analysts and global sector specialists.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets. Products with high turnover may experience higher transaction costs.

3. Emerging Market Equity

The Emerging Market Equity strategy provides diversified exposure to a range of developing countries around the world. Developing economies are generally growing at a faster rate than developed economies, which leads to the opportunity for premium returns but often with higher risk attached. The investable universe is commonly defined by the MSCI Emerging Markets Index, which covers 26 countries and over 1,400 stocks. Index data as of December 31, 2019.

Key characteristics are summarized below:

- a. 50% of alpha generation is targeted from country allocation and 50% from stock decisions
- b. Country decisions are guided by a proprietary quantitative country model together with judgment overlay
- c. Fundamental research carried out by a large team of analysts drives stock selection
- d. Risk management is applied in a proactive and disciplined fashion and includes tracking error targets and stop-loss reviews
- e. Team based approach organized around a matrix structure

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation.

Emerging markets pose greater risks than investments in developed markets. These risks include political and economic risks, civil conflicts and war, greater volatility, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on



investment, expropriation and nationalization risks, liquidity risks,



and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets. These countries may have relatively unstable governments and less-established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make investments in emerging market more volatile and less liquid than in more developed countries.

4. Frontier Markets Equity

The Frontier Markets Equity strategy provides diversified exposure to a range of frontier market countries around the world. Frontier markets are at an even earlier stage of development than the emerging markets and offer some of the fastest rates of the economic growth in the world. This leads to the opportunity for premium returns, although there can be potentially higher risk attached. The primary investable universe is defined by the MSCI Frontiers Index which covers 28 countries and over 90 stocks, although the investment team will also invest in the wider frontier markets universe. Index data as of December 31, 2019.

Key characteristics are summarized below:

- a. 50% of alpha generation is targeted from country allocation and 50% from stock decisions.
- b. Country decisions are guided by a proprietary quantitative country model together with judgment overlay
- c. Fundamental research carried out by a large team of analysts drives stock selection
- d. Risk management is applied in a proactive and disciplined fashion and includes tracking error targets and stop-loss reviews
- e. Team based approach organized around a matrix structure

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation.

Frontier markets pose greater risks than investments in developed markets. These risks include political and economic risks, civil conflicts and war, greater volatility, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on



investment, expropriation and nationalization risks, liquidity risks,



and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in frontier markets. These countries may have relatively unstable governments and less-established market economies than developed countries. Frontier markets may face greater social, economic, regulatory and political uncertainties. These risks make investments in frontier markets more volatile and less liquid than in more developed countries.

5. Global Climate Change

Schroders' Global Climate Change is a thematic global equity strategy which seeks to maximize excess returns by investing in companies whose long-term business outlook in our opinion, is significantly impacted by efforts to mitigate or adapt to climate change. Within the broad theme we have identified five sub-themes within which we believe climate change investment opportunities are most apparent – energy efficiency; low carbon; clean energy; sustainable transport; and environmental resources. The strategy excludes companies that report significant ownership of fossil fuel reserves (e.g. oil, coal, gas, tar-sands, shale-gas) from our investable universe.

The strategy is managed by portfolio manager Simon Webber. The portfolio managers are directly responsible for all decisions made within the strategy and have a detailed knowledge of all companies in which investments are made. The portfolio is benchmark-unconstrained, resulting in a high conviction portfolio of 70 stocks.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets.

6. Global Sustainable Growth

The Global Sustainable Growth invests in issuers that the investment team believes are truly responsible companies that are managed for the long term, with stakeholder interests at heart, which offer the potential for capital growth. We believe that ultimately good corporate citizenship is an important driver of long term earnings durability and alpha generation. The strategy is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labor standards or board composition may be considered in the assessment of companies. The strategy may invest in companies of any market capitalization.



The strategy is managed at SIMNA Ltd by portfolio manager Katherine Davidson. The portfolio managers are directly responsible for all decisions made within the strategy and have a detailed knowledge of all companies in which investments are made. The portfolio is benchmark-unconstrained, typically resulting in a high conviction portfolio of 30–50 stocks.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets. Investments in small capitalization companies generally carry greater risk than is customarily associated with larger capitalization companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies, and less liquidity.

7. Global Emerging Markets Small Cap

The Global Emerging Markets Small Cap strategy provides diversified exposure to the smaller companies of emerging markets. The strategy is largely index unconstrained, with the primary investable universe being the MSCI Emerging Markets Small Cap Index, which covers 24 countries and approximately 1,500 stocks, although the strategy also aims to find good investments in medium-sized emerging companies and opportunistically in frontier market stocks. The strategy is co-managed by two investment teams – the Emerging Markets team and the Global Small Cap team.

The strategy targets alpha generation primarily from bottom-up fundamental stock selection. Idea generation is driven by a combination of factor screens and a global network of analysts and portfolio managers. Stocks on the focus list are assessed and selected after a thorough assessment of their fundamentals and business model. The strategy follows a proactive approach to risk management. There is no systematic style bias although low quality stocks will tend to be avoided. The portfolio typically will invest in around 60–120 stocks.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic



instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation.

Emerging markets pose greater risks than investments in developed markets. These risks include political and economic risks, civil conflicts and war, greater volatility, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, liquidity risks, and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets. These countries may have relatively unstable governments and less-established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make investments in emerging markets more volatile and less liquid than in more developed countries.

8. QEP Strategies

The Global unconstrained strategies, which include a Value, Quality and Blend approach, are index unconstrained, and diversified. The portfolio management team, headed by Justin Abercrombie, applies a proprietary investment analysis based on an evaluation of a number of valuation metrics such as dividends, cash-flow, earnings, sales and asset-based measures as well as quality metrics such as financial strength, profitability, stability, and governance. The team starts with a universe of over 15,000 stocks of all sizes across more than 40 countries including both developed and emerging markets. It assigns a value and quality rank for each stock and typically focuses on the top third of the respective rank for each strategy. Stock position sizes are determined by the evaluation of a company's fundamental risk as well as other considerations such as market impact costs, liquidity considerations, country risk and environmental, social and governance issues. Companies with better fundamentals and/or lower risk will receive higher weights in portfolios. The portfolios are diversified over many hundreds of stocks, which helps seek attractive opportunities but also reduces stock specific risk and avoids concentrations at the stock, sector or region levels. The universe is adjusted for our International strategy which targets investments in stocks listed outside of the US and for the Emerging Market strategy which targets investments in stocks listed in emerging markets. For the Global ESG strategy, the team invests on the basis of valuations, business quality and ESG considerations. This strategy is active in all areas of ESG: exclusions, integration, ongoing research and engagement.

The team sells securities when stocks fall out of the top of the relevant value and quality universe, if their fundamentals have deteriorated or if it is taking advantage of investments that the team considers more attractive or that provide better diversification to the portfolio. The investment process may result in frequent trading of portfolio securities.



The Global Core strategy adopts a similar stock evaluation scheme as the unconstrained strategies but restrictions are in place at the stock, sector and region level governing how far portfolio weights can deviate from benchmark weights, with the objective of delivering a portfolio with low index relative risk.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets. Products with high turnover may experience higher transaction costs.

9. Swiss Equity Strategy

The Swiss-based investment team manages a bottom-up, fundamentally driven ESG- integrated investment philosophy and process with a bias towards value, quality and small caps - three empirically proven factors that can deliver outperformance. Our strategy aims to exploit inefficiencies of the Swiss equity market. Inefficiencies can either be stock specific, related to the above mentioned three style factors or both. The team's approach is fundamental, bottom-up and judgmental, not simply quantitative. The integration of ESG occurs in a similar manner. Rather than only seeking optimized exposure to value, quality and small and mid-cap equities or environmental, social and governance aspects, we examine each investment opportunity on its own fundamental merits and its contribution to the overall risk/return characteristics of the portfolio.

The universe of Swiss equities contains over 200 stocks. Those that do not have sufficient free float, where the market capitalization is too small and/or where the investment case is deemed to be questionable are excluded from further in-depth analysis. The remaining more than 100 stocks are covered by the team. Each stock is attributed a fair value, which is determined by a discounted free cash flow model, where applicable, which is also backed up by classical value style analysis. The outcome of the screening and research process is a matrix that plots over 100 stocks in a matrix with two axes: value and quality.

The strategy is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio,



changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation.

Trading in Swiss Equities involves certain risks and special consideration not usually associated with investing in securities of established U.S. companies, including risks related to the nature of the market for Swiss equities, including the risk that the Swiss markets may be affected by market developments in different ways than U.S. securities markets and may be more volatile than U.S. securities markets.

10. Asian Equities Investment Strategy

The Asia ex Japan Equities strategies in general use a disciplined and repeatable active fundamental approach with a focus on companies that grow shareholder value in the long term. We focus on companies that grow shareholder value in the long term. The experienced investment team is led by Alex McDougall with professionals located in six cities within Asia. We believe that excellence in proprietary research that is conducted by an extensive team of experienced analysts located close to the companies that we invest in is critical to investment success. This proprietary research provides our specialised portfolio managers an in-depth understanding of the various investment opportunities, giving them the confidence to implement their stock picks with strong conviction, which in turn leads to long-term sustainable alpha generation.

The Asian Equities strategies includes a strategy which focuses on China A Shares. This strategy seeks to meet its investment objective by investing in equities of Chinese companies listed and traded on Chinese stock exchanges, predominantly the Shenzhen and Shanghai Stock Exchanges.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets. Products with high turnover may experience higher transaction costs.

Trading in Asian Equities involves certain risks and special consideration not usually associated with investing in securities of established U.S. companies, including risks related to the nature of the market for Asian equities, including the risk that the Asian markets may be affected by market developments in different ways than U.S. securities markets and may be more volatile than U.S. securities markets. Investing in the securities markets in mainland China is subject to the risks of investing in emerging markets



generally and the risks specific to the mainland China market.

Emerging markets pose greater risks than investments in developed markets. These risks include political and economic risks, civil conflicts and war, greater volatility, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, liquidity risks, and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets. These countries may have relatively unstable governments and less-established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make investments in emerging market more volatile and less liquid than in more developed countries.

11. Indian Equities Investment Strategy

The Indian Equities strategy in general uses a disciplined and repeatable active fundamental approach with a focus on companies that grow shareholder value in the long term. The strategy utilizes research provided by Axis Asset Management Company Limited (Axis AMC) in India. We believe a fundamental investment approach focused on identifying such sustainable businesses while controlling risk is the best way to deliver returns in the Indian equity market over the long term. The experienced Schroders' investment team is led by Alex McDougall with professionals located primarily in Hong Kong and Singapore in Asia. The Axis AMC team is based in Mumbai, India. We believe that excellence in proprietary research that is conducted by an extensive team of experienced analysts located close to the companies that we invest in is critical to investment success. This proprietary research provides our portfolio managers an in-depth understanding of the various investment opportunities, giving them the confidence to implement their stock picks with strong conviction, which in turn leads to long-term sustainable alpha generation. There are no market capitalisation restrictions on the securities that can be held.

The Indian Equities strategy seeks to meet its investment objective by investing primarily in equity and equity related securities of Indian companies or companies which have a substantial business exposure to India.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets. Products with high turnover may experience



higher transaction costs.

Trading in Indian Equities involves certain risks and special consideration not usually associated with investing in securities of established U.S. companies, including risks related to the nature of the market for Indian equities, including the risk that Indian markets may be affected by market developments in different ways than U.S. securities markets and may be more volatile than U.S. securities markets.

Emerging markets pose greater risks than investments in developed markets. These risks include political and economic risks, civil conflicts and war, greater volatility, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, liquidity risks, and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets. These countries may have relatively unstable governments and less-established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make investments in emerging market more volatile and less liquid than in more developed countries.

FIXED INCOME

12. Global Strategic Bond

The Global Strategic Bond strategy seeks to maximize risk adjusted returns by investing across the full maturity and spectrum of Global Fixed Income and Currency markets and securities. The investment team, led by Robert ("Bob") Jolly and Paul Grainger, focuses on generating alpha through exploiting opportunities in duration, yield curve, country allocation, currency, credit beta, credit sector and credit idiosyncratic strategies – supported by extensive proprietary fundamental, technical and quantitative research. Key features include:

- a. Unconstrained non benchmarked approach to investing in Fixed Income and currency markets.
- b. Strong focus on portfolio construction
- c. A globally integrated investment framework enabling the team to invest in opportunities across the regional spectrum.

Risks

All investments involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including interest rate risk, credit risk, inflation/deflation risk, mortgage and asset-backed securities risk, Government securities risk, political and foreign investment risk, currency risk, derivatives risk, leverage risk, counterparty risk and liquidity risk. Frequent trading of the portfolio may result in relatively



high transaction costs and may result in taxable capital gains.

13. China Fixed Income

We believe that attractive risk adjusted returns can be generated in Chinese Fixed Income markets through the application of active management techniques driven by fundamental macroeconomic and company research. Our approach incorporates both top-down and bottom-up analysis as part of the research process. We adopt a top-down approach for interest rate, currency and sector allocation strategies and a bottom-up approach for credit selection utilising our in-house credit research resources and time-tested investment process. Our investment philosophy is based on the notion that active management with dedicated resources, specialist knowledge and a global mindset can deliver out-performance. We believe that markets are generally efficient but there are pockets of mis-valuation opportunities which can be exploited through fundamental economic and company research. We also target investment returns using a medium-term horizon which requires a disciplined approach to building a set of investment strategies that are diversified in order to manage/mitigate risk. Additionally, our team-based investment process relies on members specializing by asset class, market and sectors. We believe that having diversified views to escape the group think trap and constant and debate of investment thesis would improve the soundness of our investment decisions.

Risks

Investors may be subject to risks specific to the China market. Any significant change in mainland China's political, social or economic policies may have a negative impact on investments in the China market. The regulatory and legal framework for capital markets in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. Investors should also be aware that changes in mainland China's taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments in the strategy.

All investments involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including but not limited to interest rate risk, credit risk, inflation/deflation risk, mortgage and Asset-backed securities risk, U.S. Government securities risk, foreign investment risk, currency risk, derivatives risk, leverage risk and liquidity risk.

Emerging markets pose greater risks than investments in developed markets. These risks include political and economic risks, civil conflicts and war, greater volatility, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, liquidity risks, and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets.



These countries may have relatively unstable governments and less-established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make investments in emerging market more volatile and less liquid than in more developed countries.

Investment in bonds and other debt instruments including related derivatives is subject to interest rate risk. Investments in non-investment grade securities which will generally pay higher yields than more highly rated securities may be subject to greater market, credit and default risk. Investments in money market instruments and deposits with financial institutions may be subject to price fluctuation or default by the issuer. Frequent trading of the portfolio may result in relatively high transaction costs and may result in taxable capital gains.

The strategy may invest in mainland China through RQFII schemes or Regulated Markets (including CIBM via Bond Connect). The risks relating to the RQFII scheme, China Interbank bond market and China Bond Connect are outlined below:

China Interbank Bond Market: The on-shore China bond market mainly consists of the interbank bond market and the exchange listed bond market. The CIBM is an OTC market established in 1997. Currently, more than 90% of CNY bond trading activity takes place in the CIBM, and the main products traded in this market include government bonds, enterprise bonds, policy bank bonds, and medium term notes. The CIBM is in a stage of development and internationalisation. Market volatility and potential lack of liquidity due to low trading volume may result in prices of certain debt securities traded on such market fluctuating significantly.

Strategies investing in such market are therefore subject to liquidity and volatility risks and may suffer losses in trading on-shore China bonds. In particular, the bid and offer spreads of the prices of on-shore China bonds may be large, and the relevant portfolio may therefore incur significant trading and realisation costs when selling such investments. To the extent that a strategy or portfolio transacts in the CIBM in on-shore China, the strategy or portfolio may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the portfolio may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. The CIBM is also subject to regulatory risks.

- **China Bond Connect:** The Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit. Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the northbound trading of the Bond Connect ("Northbound Trading Link"). There will be no investment quota for the Northbound Trading Link. Pursuant to the prevailing regulations in mainland China an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts



with the onshore custody agent recognised by the People's Bank of China (currently recognised onshore custody agents are the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner. For investments via the Bond Connect, the relevant filings, registration with the People's Bank of China and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the strategy/portfolio is subject to the risks of default or errors on the part of such third parties. Investing in the CIBM via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the strategy's ability to invest in the CIBM will be adversely affected. In such event, the strategy's ability to achieve its investment objective will be negatively affected. There is no specific written guidance by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in the CIBM by eligible foreign institutional investors via the Bond Connect.

OTHER

14. Commodities

The Schroders Commodities Strategy's objective is to give investors a diversified exposure to commodities, through investment in commodity futures and commodity-related equities. The Strategy is actively managed on a long-only and unleveraged basis by the Adviser. The London based team is led by the Head of Commodities Mark Lacey. The investment opportunity set includes more than 60 commodities traded on a wide variety of exchanges around the world.

The strategy is:

- a. Research driven, actively managed
- b. Long only, no leverage
- c. Index unconstrained
- d. Invests in futures, equities, swaps and cash
- e. Equal emphasis on agriculture, energy and metals
- f. Diversified approach

Risks

Commodities investment carries significant risks and should only be considered by sophisticated investors who understand the nature of these risks, which include geopolitical, supply, demand and currency exchange rate risks. The Strategy will invest principally in commodity-related derivative instruments, including exchange futures and over the counter swaps on commodities. Investments in commodity-linked derivative instruments may subject the strategy to greater volatility than investments in traditional securities. Indirect investment in commodities may cause the strategy to face market risk from the value of the underlying asset together with the commodity market risks listed above.



15. Emerging Market Debt Absolute Return

The Emerging Market Debt (EMD) Strategy is a long only, absolute return EMD product which can invest in all sectors of the emerging market debt and currency markets in over 50 countries. The product is managed with the aim of preserving capital and delivering attractive returns when these are available. Historically, the strategy has recorded a low correlation to other EMD products and to other asset classes. The broad investment universe available in EMD presents diverse opportunities for generating returns. The portfolio management team, led by Abdallah Guezour, seeks to add value by actively managing exposure to both external and local debt, as well as local currencies. The management team may at times make investments that provide exposures to debt obligations or currencies of countries other than emerging market countries, including the United States.

The team's approach to portfolio construction considers both risk control and return maximization. Before purchasing a security, the team considers the risk of loss for every security and analyzes it, using fundamental, quantitative, sentiment and technical analysis. In house research is applied across all EMD countries and debt and currency sectors within those countries. The strategy employs strict diversification rules. Key features of the strategy include:

- Bottom up country selection driven by fundamental analysis of politics, economics and markets
- A quantitative based country risk model
- Use of chart analysis to optimize buy/sell prices
- Use of extensive sentiment analysis, primarily used as a counter-indicator
- Disciplined use of cash when appropriate
- No restriction on credit quality
- Use of a portfolio stop-loss discipline

Risks

All investments involve risks including the risk of possible loss of principal.

The market value of the portfolio may decline as a result of a number of factors, including interest rate risk, credit risk, inflation/deflation risk, mortgage and asset-backed securities risk, U.S. Government securities risk, foreign investment risk, currency risk, derivatives risk, leverage risk and liquidity risk. Frequent trading of the portfolio may result in relatively high transaction costs and may result in taxable capital gains.

Emerging markets pose greater risks than investment in developed markets. These risks include political and economic risks, civil conflicts and war, greater volatility, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, liquidity risks, and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were



perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets. These countries may have relatively unstable governments and less-established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make investments in emerging markets more volatile and less liquid than in more developed countries.

16. Insurance-Linked Securities

The Insurance-Linked Securities strategy seeks to provide total return primarily through investment in a diversified portfolio of insurance-linked instruments that provide exposure to various insurance risks. Such risks will consist, amongst others, of earthquake, flood, hail, wind or other weather-related risks, events of catastrophic magnitude in aviation, workers compensation, industrial accident, satellite, marine and offshore energy, and life-related risks such as mortality and value of in-force transactions. The strategy seeks to generate its returns with a low correlation to traditional asset classes, such as fixed income securities or equities, as well as non-traditional investments such as hedge funds or commodities. The Insurance-Linked Securities investment team intends to invest into high severity/low frequency perils (e.g. hurricane or earthquake risks) as well as portfolio-based investments or other instruments where frequency and not severity is the value driver, such as tornado transactions. The strategy is actively managed and can make use of financial leverage for investment purposes. The investment team places a strong focus on tail risk management.

The strategy can invest in a broad range of insurance-linked instruments including catastrophe bonds, insurance-linked notes, industry loss warranties, investments in collateralized reinsurance contracts and over-the-counter financial derivatives with (re)insurance risk instruments as the underlying assets.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. Investing in insurance-linked securities carries significant risks and should only be considered by sophisticated investors who understand the nature of these risks. Insurance-linked instruments may incur severe or full losses as a result of insurance events such as natural, man-made, life-related, or other catastrophes. Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, aviation accidents, fires, pandemics, explosions and marine accidents. The incidence and severity of such catastrophes are inherently unpredictable, and an investor's losses from such catastrophes could be material. The secondary market for insurance-linked instruments may experience more limited liquidity than traditional fixed income instruments. This in turn may mean that such instruments are more difficult to value. In situations where a large catastrophe has occurred or appears likely to occur, liquidity for potentially affected insurance-linked instruments may be diminished or completely eliminated.



MULTI-ASSET

17. Diversified Growth

The Diversified Growth strategy invests in a broad range of traditional and alternative asset classes. Investment decisions arise from our research process which is comprised of two key elements: 1) longer-term valuation analysis of the risk premia underlying asset classes; and 2) shorter-term tactical analysis comprising cyclical, technical and relative value analysis.

The Diversified Growth team actively manages portfolios by dynamically allocating within and across traditional and alternative asset classes seeking the greatest opportunity. Portfolios may utilize derivative instruments such as exchange traded futures, total return swaps, currency forwards and options. The team uses a flexible approach to implement asset allocation decisions that makes use of both actively-managed security-selection-based strategies and passive instruments such as futures, swaps and other derivatives and ETFs.

Risks

– All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of a portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, real or perceived adverse competitive industry conditions, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk and derivatives risk. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode capital than lower yielding bonds. The strategy may invest in property funds and property investment companies. It may be difficult to deal in these investments because the underlying properties may not be readily saleable which may affect liquidity. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure to capital risk and interest costs. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

18. Strategic Beta

Strategic Beta invests across a broad range of risk premia using an actively managed, risk-based asset allocation process that aims to deliver stable performance in a variety of market environments. The objective of the strategy is to generate a return of 7% p.a. with an assumed Sharpe ratio of 0.6 while targeting average annual volatility of 12%.



Our approach focuses on investing in risk premia rather than asset classes. Risk premia can be thought of as the “building blocks” of asset classes and represent the expected returns from being exposed to the different risk factors inherent in an asset class. All asset allocation and portfolio construction decisions are implemented in risk space. The portfolio’s initial weights are based on equal risk allocations and the active risk budget is divided equally across all positions.

Strategic Beta is actively managed, which means that there are opportunities to add value by strategically rather than tactically tilting the portfolio towards attractively priced premia and away from those which we believe are unattractively priced. Risk management is a key element in our approach and is based on a three tier approach of (i) efficient portfolio construction, (ii) core protection against moderate market corrections which occur more frequently, and (iii) tail protection against less frequent, but more severe downside risks.

Risks

– All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of a portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, real or perceived adverse competitive industry conditions, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk and derivatives risk. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode capital than lower yielding bonds. The strategy may invest in property funds and property investment companies. It may be difficult to deal in these investments because the underlying properties may not be readily saleable which may affect liquidity. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure to capital risk and interest costs. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

19. Alternative Risk Premia

Schroders Alternative Risk Premia is a multi-asset, multi-strategy portfolio that seeks to deliver a return of US 90 Day T-Bill +5% while targeting a volatility of 10% and limiting equity beta to less than 0.2. The strategy invests in alternative return sources which can be defined as compensation for bearing risks that can arise from behavioral, economic or structural sources. Alternative Risk Premia has the ability to improve the risk-return profile of a portfolio of traditional assets due to its diversification characteristics. The strategy is implemented across a multi-asset investment universe



comprising investments in equity, fixed income, foreign exchange, commodities and listed options. Alternative Risk Premia is designed to be market neutral and will seek to provide returns via a range of diversified long and short strategies, packaged together and delivered in a highly transparent and cost effective vehicle.

Risks

– All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of a portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, real or perceived adverse competitive industry conditions, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk and derivatives risk. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode capital than lower yielding bonds. The strategy may invest in property funds and property investment companies. It may be difficult to deal in these investments because the underlying properties may not be readily saleable which may affect liquidity. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure to capital risk and interest costs. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

20. Sustainable Multi-Factor Equity

– Schroder Sustainable Multi-Factor Equity (SMFE) is a systematic global equity strategy with a fully integrated approach to sustainable investing. The strategy's aim is to outperform the MSCI All Country World Index (ACWI) over rolling 3-year periods while attempting to provide investors with a significantly better ESG outcome.

– Sustainability is treated as a risk factor and is integrated into our multi-factor strategy alongside value, quality, momentum, and low volatility. The strategy's approach to factor investing enables the investment team to seamlessly integrate a number of sustainability criteria, including SustainEx, our unique proprietary research, which calculates a +/- and impact for companies' contribution to society and the environment in the future. The Sustainability team has identified a range of activities undertaken by companies that generate social and environmental costs and gains, grouped broadly into five areas: environment, governments, customers, employees, and communities. Additionally, SMFE limits overall carbon intensity to no more than half that of the ACWI. With the rapidly changing field of sustainability and factor-investing, SMFE is a factor-based sustainable solution that can evolve with new information and improved data, unlike strategies which lock investors in a simplistic or fixed



approach.

Risks

– All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of a portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, real or perceived adverse competitive industry conditions, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk and derivatives risk. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode capital than lower yielding bonds. The strategy may invest in property funds and property investment companies. It may be difficult to deal in these investments because the underlying properties may not be readily saleable which may affect liquidity. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure to capital risk and interest costs. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

21. Global Multi-Factor Equity

- Global Multi-Factor Equity (GMFE) is a systematic global equity strategy that aims to deliver excess return over the MSCI AllCountry World Index on a rolling 3-year basis, while limiting index-relative risk.
- The strategy targets a range of equity factors, grouped broadly into the classic styles of value, quality, momentum, small cap and low volatility. The strategy employs a disciplined, systematic investment approach to gain exposure to the targeted factors while minimizing unrewarded risks. On a monthly basis, individual return forecasts are calculated for all stocks in the investment universe using a proprietary set of signals that target our chosen equity factors. By targeting stocks that appear attractive across multiple signals, the team seeks to maximize the likelihood of generating excess returns across a broad range of market environment. To maximize exposure to factors, the strategy utilizes bottom-up portfolio construction for efficiency; the superior returns over top-down approaches are potentially achievable without the draft of unintended, offsetting factor exposures that can be experienced in top-down strategies.

Risks

- All investments, domestic and foreign, involve risks including the



risk of possible loss of principal. The market value of a portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, real or perceived adverse competitive industry conditions, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk and derivatives risk. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode capital than lower yielding bonds. The strategy may invest in property funds and property investment companies. It may be difficult to deal in these investments because the underlying properties may not be readily saleable which may affect liquidity. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure to capital risk and interest costs. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

22. Sustainable Dynamic Balanced

A multi-asset approach that helps clients who want to employ an ESG framework but are looking for governance simplicity and asset allocation. The strategy helps clients who want to employ an ESG framework but are looking for governance simplicity and asset allocation expertise. An investor in this strategy benefits from ESG application at both an asset allocation and security selection level.

The investment objective is to deliver a total return through a diversified range of investment strategies with an emphasis on Sustainability. The strategy seeks to limit the overall carbon intensity of the portfolio, with improved sustainability metrics compared to market indices.

The Diversified Growth team is responsible for managing the strategy however they will heavily utilize sustainable or integrated in-house ESG components. In addition, the asset allocation will take into account suitable ESG factors that have a contributory impact. As additional sustainable components become available, we will look to incorporate them over time.

The risk profile of the Fund is comparable to a 65% equity/35% fixed income portfolio.

Risks

- All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of a portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, real or perceived adverse competitive



industry conditions, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk and derivatives risk. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode capital than lower yielding bonds. The strategy may invest in property funds and property investment companies. It may be difficult to deal in these investments because the underlying properties may not be readily saleable which may affect liquidity. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure to capital risk and interest costs. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

PORTFOLIO SOLUTIONS

23. U.S. Risk-Managed Equity

The strategy aims to provide exposure to U.S. equities while limiting downside risk by utilizing Schroders' proprietary risk management strategy coupled with a passive investment in index securities. In order to create the long exposure to equities, we purchase primarily ETFs, index mutual funds, and equity futures on either sub-indices or on the Russell 3000 index itself. The weights applied to sub-components are derived through a regression process with the aim of creating a portfolio with low tracking error to the Russell 3000 Index.

The strategy seeks to limit instantaneous losses to 20% of current portfolio value while capturing the majority of equity market gains. Downside is limited through a systematic process of purchasing long-term put options and selling short-term call options to finance the put purchases, i.e., a zero cost collar. The options may reference either the entire index or its sub-components which would then be weighted in the same manner as the underlying portfolio. The team uses intelligent design and systematic trading techniques to ensure the portfolio's target protection of 20% is generally maintained as market prices change over time. The approach also seeks to reduce the path dependency of the outcomes and therefore deliver a more reliable and stable outcome over time.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, derivatives risk, risks related to investments in pooled vehicles, changing interest rates, and real or



perceived adverse competitive industry conditions. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

24. International Risk-Managed Equity

The strategy aims to provide exposure to non-U.S. equities while limiting downside risk by utilizing Schroders' proprietary risk management strategy coupled with a passive investment in index securities. In order to create the long exposure to international equities, we purchase primarily ETFs, index mutual funds, and equity futures on either sub-indices or on the MSCI ACWI ex-US index itself. The weights applied to sub-components are derived through a regression process with the aim of creating a portfolio with low tracking error to the MSCI ACWI ex-US Index.

The strategy aims to limit the instantaneous equity downside risk (assessed on a daily basis and ignoring currency exposures) to 20% of the current portfolio value. Downside is limited through a systematic process of purchasing long-term put options and selling short-term call options to finance the put purchases, i.e., a zero cost collar. The options may reference either the entire index or its sub-components which would then be weighted in the same manner as the underlying portfolio. The team uses intelligent design and systematic trading techniques to ensure the portfolio's target protection of 20% is generally maintained as market prices change over time. The approach also seeks to reduce the path dependency of the outcomes and therefore deliver a more reliable and stable outcome over time.

The strategy does not hedge currency exposure.

Risks

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, derivatives risk, risks related to investments in pooled vehicles, changing interest rates, and real or perceived adverse competitive industry conditions. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets.

General Risks

Coronavirus Outbreak Risks. The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S., federal and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel, and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of regional, national and global economy. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect investments in our client



accounts and the industries in which they operate. Furthermore, our ability to operate effectively, including the ability of our personnel or our service providers and other contractors to function, communicate and travel to the extent necessary to carry out our investment strategies and objectives and our business and to satisfy our obligations to our clients, and pursuant to applicable law, has been, and will continue to be, impaired. The spread of COVID-19 among our personnel and its service providers would also significantly affect our ability to properly oversee our business (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of our investment activities or operations as a whole or with respect to one or more of our investment strategies.

Cyber Security Risk. With the increased use of technologies to conduct business, the Adviser has become more susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and include but are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, including personally identifiable information or proprietary models or algorithms, corrupting data, or causing operational disruption, including disrupting trading or accounting systems. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents. While the Adviser has established security protocols designed to detect, protect against, respond to and recover from cybersecurity incidents, there are inherent limitations in such protocols including the possibility that certain threats and vulnerabilities have not been identified or made public due to the evolving nature of such threats.

Derivatives Risk. Certain strategies may use derivatives. Derivatives, including forward currency contracts, futures, options and commodity-linked derivatives and swaps, may be riskier than other types of investments because they may be more sensitive to changes in economic and market conditions, and could result in losses that significantly exceed the account's original investment. Many derivatives create leverage thereby causing the account to be more volatile than it would have been if it had not been exposed to such derivatives. Derivatives also expose the account to counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations), including the credit risk of the derivative counterparty. Certain derivatives are synthetic instruments that attempt to replicate the performance of certain reference assets. With regard to such derivatives, the account does not have a claim on the reference assets and is subject to enhanced counterparty risk. Derivatives may not perform as expected, so the account may not realize the intended benefits. When used for hedging, the change in value of a derivative may not correlate as expected with the security being hedged. In addition, given their complexity, derivatives expose the Fund to risks of mispricing or improper valuation.



Foreign Corrupt Practices Act ("FCPA") Risks. Economic sanction laws in the United States and other jurisdictions may significantly restrict or completely prohibit the Adviser from transacting with certain countries, individuals and companies, including among other things, transactions with, and the provision of services to certain foreign countries, territories, entities and individuals.

Foreign Sanctions Risks. In the event that the Adviser determines that an investor is subject to any trade, economic or other sanctions imposed by the United Nations or any other applicable governmental or regulatory authority, the Adviser may take such actions as it determines appropriate to comply with applicable law, including: blocking or freezing accounts or interests therein; where permitted by the applicable sanctions law, requiring an investor in a pooled investment vehicle to redeem from the fund, and delaying the payment of any redemption proceeds, without interest, until such time as such payment is permitted under applicable law; excluding an investor in a pooled investment vehicle from allocations of net capital appreciation and net capital depreciation and distributions made to other investors; excluding an investor in a pooled investment vehicle from voting on any matter upon which investors are entitled to vote, and excluding the net asset value of such investor's interest in the fund for purposes of determining the investors entitled to vote on or required to take any action in respect of the fund.

Foreign Securities and Emerging Markets Risk. Investments in foreign currencies and foreign issuers are subject to additional risks, including political and economic risks, civil conflicts and war, greater volatility, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, liquidity risks, and less stringent investor protection and disclosure standards of foreign markets. In certain markets where securities and other instruments are not traded "delivery versus payment," the account may not receive timely payment for securities or other instruments it has delivered and may be subject to increased risk that the counterparty will fail to make payments when due or default completely. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets. These countries may have relatively unstable governments and less established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make emerging market securities more volatile and less liquid than securities issued in more developed countries.

Model Risk. Some strategies may include the use of various proprietary quantitative or investment models. There may be deficiencies in the design or operation of these models, including as a result of shortcomings or failures of processes, people or systems. Investments selected in part models may perform differently than expected as a result of the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models (including, for example, data problems and/or software issues) and there is no guarantee that oversight processes in place to identify and mitigate such issues will work as intended. Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model's return mapping is based



on historical data regarding particular asset classes. There is no guarantee that the use of these models will result in effective investment decisions for clients.

Regulation Risks. Laws and regulations affecting our business change from time to time. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide. For example, investment advisers that are located in the United Kingdom (including the Adviser) are subject to certain restrictions on investing in an issuer involved in certain cannabis-related operations. In such cases, the Adviser would be required to forego what might otherwise be attractive investment opportunities and, therefore, might underperform vis-à-vis investment advisers that do not operate under similar restrictions.



There have been no disciplinary actions against the Adviser, its officers or directors.

The Adviser is also registered as a Portfolio Manager with the Canadian Securities Commissions in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec, Saskatchewan and New Brunswick.

The Adviser is also registered with the National Futures Association as a Commodities Trading Advisor.

The Adviser maintains significant relationships relating to its advisory business with affiliated companies. The Adviser is an affiliate of SIMNA Inc. Substantially all of the investment management activities conducted by the Adviser represent sub-advisory or other delegation agreements pursuant to which SIMNA Inc. has retained the Adviser to perform the investment advisory services that SIMNA Inc. has contracted to provide to its clients. The Adviser will manage accounts invested in certain mandates subject to SIMNA Inc.'s supervision. For these services, SIMNA Inc. will pay the Adviser a portion of the advisory fees it receives from such accounts. Certain directors of the Adviser are also directors of SIMNA Inc.

Schroder Fund Advisors LLC ("SFA") is a wholly owned subsidiary of SIMNA Inc. registered as a broker dealer with FINRA and an exempt market dealer in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec, Saskatchewan and New Brunswick. SFA distributes the equity interests of certain pooled investment vehicles that the Adviser sub-advises.

The Adviser is also an affiliate of Schroder Investment Management Ltd ("SIM"), a UK investment adviser and parent of a number of non US registered investment advisers. SIM provides research that the Adviser and its affiliates use in managing accounts. Trading of equity securities on behalf of all advisory clients of the Adviser and its affiliates generally occurs in the geographic region of the issuers whose securities are being purchased and sold. Although individual traders might be supervised locally, all traders have a functional report to SIM. Such persons are required to comply with personal securities transaction and other ethical policies adopted in the jurisdiction where such employees work.

The Adviser sometimes purchases for certain accounts shares of funds for which the Adviser serves as sub-adviser. The Adviser will not assess its advisory fee on the portion of an account that is invested in such funds.

Private funds that the Adviser sub-advises invest in the same securities as those invested on behalf of other clients, including registered investment companies. The private funds' trading methodologies may differ from those of other sub-advised accounts. The Adviser is aware of potential conflicts of interest created in part by the compensation structure of the funds. It has instituted procedures to assure that transactions effected on behalf of the private funds do not adversely impact other clients.

ITEM 9:

Disciplinary Information

ITEM 10:

Other Financial Industry Activities and Affiliations



The Adviser also is an investment adviser for certain collective investment trusts ("CITs") for which SEI Trust Company, which is unaffiliated with the Adviser, serves as trustee. These CITs are commingled funds available to certain types of employee benefit plans. Where the Adviser has discretion over allocation of pension assets, it may invest the pension's funds in one or more CITs. In such instances, the Adviser will generally not assess an advisory fee at the CIT level. The fees are generally negotiated at the time the agreement is executed when investments in one or more CITs are contemplated.



The Adviser has adopted a Code of Ethics that sets forth the standards of business conduct that it requires of all its supervised persons. The Code of Ethics addresses the Adviser's and access persons' fiduciary obligations to its clients. The Code also addresses confidentiality of client information and includes the Adviser's Insider Trading Policy and its Personal Securities Transactions Policy, discussed in further detail below. The Code of Ethics also requires all supervised persons to comply with the federal securities laws and to inform the Chief Compliance Officer of suspected violations of the Code. Clients or prospective clients who wish to request a copy of the Code of Ethics may do so by contacting the Chief Compliance Officer at Schroder Investment Management North America Ltd, 1 London Wall Place, EC2Y 5AU, or to SIMNA Ltd Compliance Officer US, c/o Schroder Investment Management North America Inc., 7 Bryant Park, New York, NY 10018, USA.

The Adviser's access persons may, from time to time, buy or sell for themselves securities that the Adviser also buys or sells on behalf of clients. The Adviser imposes restrictions on such transactions in accordance with applicable law and regulations.

All access persons of the Adviser are subject to the provisions of the Code of Ethics regarding personal securities transactions and an Insider Trading Policy. These policies are designed to prevent conflicts of interest and violations of law by persons subject to the Code. In particular, all access persons are generally required to pre-clear their personal securities transactions with a Trader, Senior Fund Manager and Compliance. In this way, personal securities transactions can be monitored or, if necessary, prohibited or delayed so as not to conflict with a client transaction. The Adviser has also imposed upon access persons a mandatory 60 day holding period on transactions in certain financial instruments.

From time to time and in accordance with the terms of the Adviser's Code of Ethics, there are instances when the Adviser is precluded from trading in certain securities for its advisory clients' accounts. These instances may arise if the Adviser receives material non-public information ("Inside Information") from an issuer or otherwise. The Adviser's parent maintains a stop list, which consists of securities for which one or more persons at the Adviser or its affiliates may hold Inside Information. Employees of the Adviser are not permitted to trade in those securities.

ITEM 11: Code of Ethics, Participation in Client Transactions and Personal Trading



The Adviser selects brokers or execution forums to try to obtain the overall best execution for its clients. The Adviser does not execute trades for clients through affiliated broker-dealers. Its traders route orders where they expect to obtain the most favorable overall price and efficient execution. Traders do not operate under constraints concerning their choice of brokers other than on the basis of their credit-worthiness or client restrictions.

The Adviser uses a number of brokerage firms. Some are full service firms that may execute on the Adviser's behalf and others are electronic crossing networks, automated trading firms or execution-only firms. A significant percentage of the orders executed are routed for execution to brokerage firms or commodity merchants outside the US. The Adviser deals with brokerage firms that it deems capable of providing best price and execution and is financially stable. All brokers are approved by a Credit Committee operated globally for the firm. The Committee reviews the brokerage firm when trading begins and at least once a year. Where appropriate the Adviser establishes credit limits for the counterparties.

ITEM 12: Brokerage Practices

1. Research Commissions

The Adviser pays for the cost of research from its own resources, rather than using commissions from clients' transactions. Therefore clients do not bear any direct research cost.

The Adviser establishes maximum commission rates for equity trading by type of security and reviews those rates periodically based on industry standards. The Adviser reviews both commission rates and overall commissions to monitor whether trades are being executed within guidelines.

2. Trade Aggregation and Allocation

When the Adviser buys or sells securities for multiple clients, it ordinarily aggregates all client transactions to obtain more favorable prices, and efficient execution. Each individual aggregated transaction may operate to the advantage or disadvantage of the client. Clients participating in an aggregated order will receive an average price and a pro-rata share of the transaction costs. There may be variable costs relating to aggregate trades imposed directly by the broker-dealer or custodian for an account that are not shared with other clients. Some clients may not be able to participate in aggregate trades because of regulatory or client-imposed restrictions. In those instances, trades are placed in a manner calculated to achieve the best overall execution for all clients.

When the Adviser does not aggregate client orders, traders may not be able to negotiate a single price for each client order and the prices may be less favorable than those achieved through aggregation and Commissions and transaction costs will likely not be uniform for all accounts. The Adviser may not aggregate orders for all clients for reasons including the following:

- A client may direct that the Adviser use a specific type of broker such as the use of minority-owned broker dealers);



- A client may prohibit the use of one or more broker-dealers, sometimes for regulatory reasons;
- A client may require that the Adviser use a particular brokerage firm for some or all trades; or
- Some offshore markets may prohibit trade aggregation.

The Adviser also maintains procedures for allocating initial public offerings (“IPOs”) for its accounts. Accounts that are similarly managed will generally aggregate their expressions of interest orders.

Allocations of the shares in the IPO are made in a fair and equitable manner. The Adviser sometimes excludes accounts from participating in an IPO based on client restrictions, such as broker restrictions.

Where the issue is oversubscribed the Adviser allocates among eligible accounts on a pro-rata basis. In the interests of fairness to all participating accounts where necessary these allocations are adjusted taking into account the relative size of the accounts involved.

If the Adviser receives an allocation in an IPO that results in de minimis allocations for some accounts then the allocation is reallocated in accordance with our allocation policy which allows the reallocation of de minimis lot sizes and minimum economic size allocations.

The Adviser may manage accounts that have significant investment by affiliates of the Adviser, as seed capital or as capital investments. In circumstances where the interest in an account on behalf of an affiliate of the Adviser exceeds 25%, the Adviser places restrictions on the trading of those accounts. Such accounts may be included in aggregated trades but only when its participation has been determined prior to the order. Allocation of partially executed orders is in accordance with our allocation policy.

For Fixed Income where a partial allocation is required, the policy is to allocate pro-rata (in relation to the pre trade order size per portfolio) across participating portfolios, taking into account bond lot sizes and minimum pieces. There may be instances where clients are disadvantaged against another in when allocating bonds with minimum pieces and lot sizes due to the Adviser aiming to not leave a client with an uneconomical allocation.

The Adviser may provide to wrap program sponsors a model portfolio where SIMNA Inc. has entered into such an arrangement. A financial services company that receives such a model uses that model to place orders for its clients based on the model. The sponsor of the program will generally buy or sell the same securities that the Adviser buys and sells for its clients. Because the sponsor places all trades for clients in model programs, these trades would not be aggregated with trades that Adviser places for its clients using similar strategies to those used in the model delivery programs. The Adviser transmits its model after it places trades for client accounts. Trading generated by model programs could under some circumstances cause prices for a given security to increase and could adversely affect trading for client accounts.

The Adviser does not have discretion to trade securities on behalf of



accounts in model programs. Trades for discretionary clients will likely be placed while models for the programs of other financial services companies are still being formulated into orders by the sponsoring firms. Under most circumstances, the timing will effectively confer priority on orders placed by the Adviser for its discretionary accounts.

If the Adviser determines that this priority is unfairly disadvantaging the model programs, it may attempt to communicate models simultaneously with placing orders for discretionary client accounts. The Adviser will not delay orders for its discretionary accounts in order to confer priority on a model program. The Adviser generally gives priority in the communication of each of its' models among the various program sponsors on a rotating basis.

3. Client Restrictions on Brokers

A client may direct the Adviser in writing to use a particular broker-dealer. Such restrictions on broker use can adversely affect best execution. Where a client restricts all or most trading to a particular broker-dealer, that client cannot benefit when traders buy an aggregate block for other accounts at a favorable price. The Adviser also may not be able effectively to negotiate commission rates with that client's preferred brokerage firm.

The client also will be unable to obtain allocations of new issues of securities if their designated broker cannot independently obtain them. The Adviser will only do business with broker-dealers that it believes can meet their financial obligations from trading. The Adviser ordinarily will not accept an instruction to trade with a broker-dealer that is not credit-worthy.

Clients sometimes ask to send trades to a particular broker-dealer in recognition of services/payments provided to the client by the broker or dealer. A client who chooses to designate the use of a particular broker or dealer on a "restricted" basis, should consider whether such a designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions on some transactions than might otherwise be attainable by the Adviser or may receive less favorable execution of some transactions, or both. Prospective clients should consider the possible costs or disadvantages of such an arrangement with the value of the services provided. The Adviser reserves the right to refuse such requests where it believes that it cannot achieve best execution.

4. Cross Trading

The Adviser will, from time to time, simultaneously raise client orders to buy and sell a particular security, for different clients. In such circumstances the Advisor will ensure that such trading is in line with law and regulation subject to the trade and to the client.

5. Transactions with Clients

Ordinarily, accounts in which affiliates of the Adviser have an interest in excess of 25% will not buy securities from, or sell them to, client accounts. The Adviser will not arrange such trades for types of clients such as registered investment companies where there is a regulatory prohibition on such trades. In rare circumstances, the Adviser may engage in transactions with clients where the Adviser believes that



the client account will benefit – for example to provide liquidity during periods of market turmoil – and only at prices that the Adviser believes is fair. If transactions of this nature are undertaken, the Adviser will obtain prior written agreement from the client following disclosure of the nature of the interest that the Adviser or its affiliates has in the transaction and the reasons for undertaking the transaction.

The Adviser assigns product managers to each team. The product manager reviews the portfolio characteristics and acts as the liaison with clients. The events that might trigger additional reviews can include change in client objectives; unusual investment environments; or a change in investment strategy. The Adviser uses an automated system that allows its portfolio compliance function to review trades daily to confirm that the trades meet regulatory requirements and client guidelines.

The Adviser does not market its products in the US and does not retain solicitors to market or identify clients on its behalf. SIMNA Inc. will pay a portion of its advisory fee to the third party for introducing or servicing accounts. SIMNA Inc. may enter such arrangements but must comply with SEC Rule 206(4)-3.

The Adviser does not take or retain custody of client funds or securities. Clients retain their own custodians and the Adviser does not make custodial recommendations.

The Adviser generally manages investments on a discretionary basis. Under a discretionary arrangement, portfolio managers have the authority to determine which securities to buy and sell, consistent with the client's investment guidelines. In some instances, however, there are restrictions imposed by clients on investments in specific industries or companies.

The Adviser provides model portfolios to sponsors of third party wrap programs. In those instances, the Adviser only has discretion over the model. The sponsoring firm raises all orders for the underlying accounts after determining how to implement the model for its individual clients. The Adviser does not include the assets in model portfolio programs as part of its assets under management as set forth in Item 4 above.

The Adviser has entered into trade delegation agreements under which orders it raises for client accounts may be routed to the trading desk of affiliated advisers for execution. In such instances, those orders typically are aggregated with orders for the affiliated adviser's clients or executed sequentially subject to a written order priority procedure.

ITEM 13: **Review of Accounts**

ITEM 14: **Client Referrals and Other Compensation**

ITEM 15: **Custody**

ITEM 16: **Investment Discretion**



The Adviser treats the voting of proxies as an important part of its management of client assets. It votes proxies in a manner that it deems most likely to protect and enhance the longer term value of the security as an asset to the account.

The Adviser has a Proxy Committee consisting of investment professionals and other officers which is responsible for ensuring compliance with its proxy voting policy. That committee includes input from all offices including affiliated advisers. The actual voting of proxies is carried out by Schroder Investment Management Ltd, the UK affiliate of the Adviser. When voting proxies, the Adviser and its affiliates follow the Environmental, Social & Governance Policy (the "Policy"). The Policy sets forth positions on recurring issues and criteria for addressing non-recurring issues. The Proxy Committee exercises oversight to assure that proxies are voted in accordance with the Policy and that any votes inconsistent with the Policy are documented.

The Adviser uses proxy research from third party service providers. It considers their recommendations for voting on particular proxy proposals. The Adviser bears ultimate responsibility for proxy voting decisions. Occasionally, proxy voting proposals will raise conflicts between the Adviser's interests and those of its clients. Those conflicts are managed in accordance with the procedures set out in the Policy.

If the Adviser receives a proxy relating to an issuer that raises a material conflict of interest, the proxy is voted after review by the Global Head of Equities. The proxy will be voted as follows:

- if a proposal or aspect of the meeting business is specifically addressed by the Policy, the Adviser will vote or act in accordance with the Policy unless the Adviser considers it is in the best interests of clients to depart from the Policy. In that case or if the proposal or meeting business is not specifically covered by the Policy, the Adviser may vote or act as it determines to be in the best interest of clients, provided that such vote or action would be against the Adviser's own interest in the matter.
- if the Adviser believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then the Adviser will either (a) vote in accordance with the recommendations of a third party (which will be the supplier of our proxy voting processing and research service); or (b) obtain approval of the decision from the Adviser's Head of Equities: the rationale of such vote will be recorded in writing; or (c) in exceptional cases, inform the client(s) of the conflict of interest and obtain consent to vote as recommended by the Adviser. If the third-party recommendation is unavailable, we will not vote.

A copy of the entire Proxy Voting Policy and information as to specific votes are available to clients upon request. Requests should be made to your Client Service Representative.

ITEM 17: Voting Client Securities



The Adviser is a subsidiary of a public company in the UK, Schroders plc. Schroders plc is listed on the London Stock Exchange. The shareholder reports for Schroders plc are available on the internet at <http://ir.schroders.com/>. Clients or prospective clients may also obtain copies of Schroders plc reports by contacting their Client Service Representative.

SIMNA Ltd is not required to make notice filings as the Adviser generally manages portfolios for SIMNA Inc. pursuant to delegation arrangements. The Adviser does not directly advertise, solicit clients or distribute products in the US.

ITEM 18: Other Financial Information

ITEM 19: Requirements for State- Registered Advisers



Index:

Adviser	See SIMNA Ltd
Assets under Management.....	7
Brokerage practices.....	41
Brokerage Practices	
Client Restrictions on Brokers.....	44
Cross Trading.....	44
Trade Aggregation and Allocation	41
Transactions with Clients.....	44
Code of Ethics	40
Commodities	36
Custody of Assets.....	45
Disciplinary actions.....	39
Emerging Market Debt.....	37
Emerging Market Equity.....	17
Fees	
Performance Based Fees.....	15
Standard Fees	8
Global Climate Change	21
International and Global Small Cap	16
Minimum account sizes.....	8
Proxy voting.....	46
SIMNA Ltd	1, 7, 40, 47
affiliation with regulators	1
Canadian registrations	6
fiduciary obligations to its clients.....	40
Marketing practices	45
overview of the company	4, 47
relationship with Schroder Fund Advisors	39
relationship with SIM Ltd.....	39
relationship with SIMNA Inc.....	6, 15, 39
Strategies managed.....	4

