

Professional Class Distribution AUD | Data as at 30.04.2023

Fund objectives and investment policy

To deliver an investment return before fees of 5% p.a. above Australian inflation over the medium to long term. Inflation is defined as the RBA's Trimmed Mean, as published by the Australian Bureau of Statistics.

The Schroder Sustainable Growth Fund is a sustainable-focused investment strategy which adopts a traditional multi-asset investment approach. The Fund has a growth-biased strategic asset allocation (**SAA**) formulated with Schroders' proprietary medium term asset class return projections and risk expectations which includes a climate change which may increase or decrease the return forecast across each region, based on estimated costs or benefits of rising temperatures and potential regulatory and behavioural changes. For example, this adjustment seeks to adjust on a positive basis the effects of rising temperatures on an economy's growth rate (physical costs) where it would allow a region greater access to land not previously useable, or negatively where there is an economic cost of steps taken to mitigate temperature increases (transition costs) or losses are incurred where carbon-based forms of energy are written off (stranded assets). A multi-faceted risk management framework is incorporated in the decision making process to manage volatility and mitigate inherent downside risks within the Fund.

The Fund is managed within a Sustainable Investment Framework, which guides asset allocation and security selection decisions, with the following two sustainability objectives; 1) achieve a portfolio sustainability score (**Sustainability Score**) of at least 2% better than the Fund's SAA benchmark (**Sustainability Objective**) and 2) achieve a portfolio carbon intensity score (**Carbon Intensity Score**) of less than 60% of the Fund's SAA benchmark (**Carbon Intensity Objective**).

The Fund's Sustainability Score is determined by Schroders proprietary impact measurement tool, SustainEx*. SustainEx measures both the positive (for example, medicine provision and recycling) and negative externalities (for example, high carbon emissions and avoiding tax) that a company generates through their business activities and estimates the net impact on the company's annual gross revenue if those externalities were brought to account. By achieving a higher Sustainability Score than the SAA benchmark, the Fund will have less revenue at risk (as estimated by SustainEx) to potential legislative or behavioural changes. The Fund's Carbon Intensity Score, which is a measure of a company's carbon emissions, is calculated based on information sourced from MSCI company data and cover both scope 1 (direct emissions resulting from energy production) and scope 2 (indirect emissions, resulting from energy use). By achieving a lower Carbon Intensity Score, the Fund is reducing its exposure to companies with business models most at risk to the transition to net zero emissions.

The Fund seeks to achieve its Sustainability Objective and Carbon Intensity Objective by:

- 1) applying revenue exclusion screens (referred to as Negative Screens).
- 2) using our proprietary quantitative and qualitative tools which measure sustainability and governance practices to favour companies with positive or improving Sustainability Scores and Carbon Intensity Scores and good or improving governance.
- 3) seeking to drive more sustainable practices through engagement.

These are explained further under the the heading 'Further information on ESG matters for the Schroder Sustainable Growth Fund' in the 'Labour standards and environmental, social and ethical considerations' section of the 'Additional Information to the PDS' booklet.

The Fund may, on an exceptions basis, hold securities in companies that fail the Negative Screens if Schroders considers that the companies nonetheless are, or have committed to, contributing positively to broader ESG initiatives. Examples include issuance of green bonds and businesses that have science based targets ratified by the Science Based Target Initiative to align their business models to net zero emissions targets.

**SustainEx™ provides an estimate of the potential "impact" that an issuer may create in terms of social and environmental "costs" or "benefits of that issuer. It does this by using certain metrics with respect to that issuer, and quantifying them positively (for example by paying 'fair wages') and negatively (for example the carbon an issuer emits) to produce an aggregate notional measure of the relevant underlying issuer's social and environmental "costs", "externalities" or "impacts". SustainEx™ utilises and is reliant on third party data (including third party estimates) as well as Schroders' own modelling assumptions, and the outcome may differ from other sustainability tools and measures. Where SustainEx™ relies on data and estimates produced by third parties, Schroders seeks to ensure that such data and estimates are accurate, but Schroders cannot and does not warrant the accuracy, completeness and adequacy of such third party data and estimates. Like any model, SustainEx™ will evolve and develop over time as Schroders continues to assess, refine and add to the metrics and their relative contributions. Generating SustainEx™ scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and accordingly Schroders does not accept any liability arising from any inaccuracy or omission in, or the use of or reliance on, SustainEx™ scores. As the model evolves, changes made to how metrics are applied may result in changes to the SustainEx™ score of any issuer and ultimately the overall fund/portfolio score. At the same time, of course, the issuer's SustainEx™ performance might improve or deteriorate.*

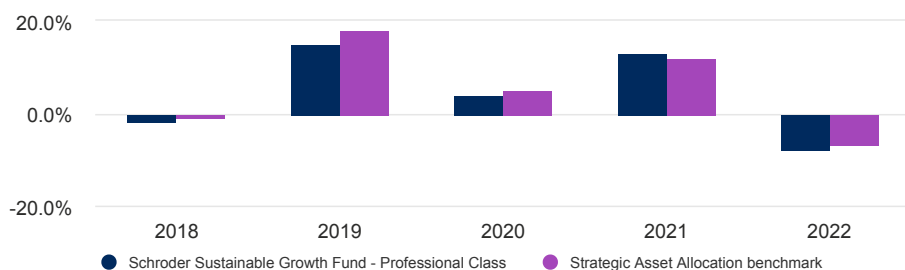
Schroders' proprietary sustainability tools including SustainEx™ may not cover all of a fund/portfolio's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash and certain equivalent securities) are treated as neutral and are therefore not considered by our proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by our proprietary tools and in such case would be excluded from a product's sustainability score.

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Fund performance

Performance (%)	1 month	3 months	6 months	CYTD	1 year	3 years p.a.	5 years p.a.	10 years p.a.
Fund (pre-fee)	1.2	1.8	7.1	5.6	2.6	7.7	5.7	7.2
Fund (post-fee)	1.1	1.6	6.8	5.4	2.0	7.1	5.1	6.6
Benchmark	1.5	1.9	7.3	6.3	3.6	8.4	6.4	7.4
Relative Performance (Post-fee)	-0.4	-0.3	-0.6	-0.9	-1.6	-1.4	-1.3	-0.7
Distribution Return[^]	0.0	0.0	2.4	0.0	3.8	3.8	3.8	6.2
Growth Return^{^^}	1.1	1.6	4.4	5.4	-1.8	3.2	1.3	0.4

Calendar Year performance



[^]Represents distributions as a proportion of total net return

^{^^}Price to price return excluding distribution reinvestments

Past performance is not a reliable indicator of future performance.

Returns over 12 months are annualised. Exchange rate movements may cause the value of investments to fall as well as rise.

Please refer to www.Schroders.com.au for post-tax returns.

Some performance differences between the fund and the benchmark may arise as the benchmark returns are not adjusted for non-dealing days of the fund.

Ratings and accreditation



Please refer to the Source and ratings information section for details on the icons shown above.

Fund facts

Fund manager	Simon Doyle
Managed fund since	12.05.2003
Domicile	Australia
Fund launch date	23.08.1996
Fund base currency	AUD
Fund size (Million)	AUD 491.05
Benchmark	Strategic Asset Allocation benchmark
Unit NAV	AUD 1.1886
Distribution frequency	Semi-Annually

Fees & expenses

Management fees and costs	0.610%
Buy / Sell Spread	0.15% / 0.15%

Purchase details

Minimum initial subscription	AUD 500,000
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Codes

ISIN	AU60SCH00109
Bloomberg	SCHBALI AU
APIR	SCH0010AU

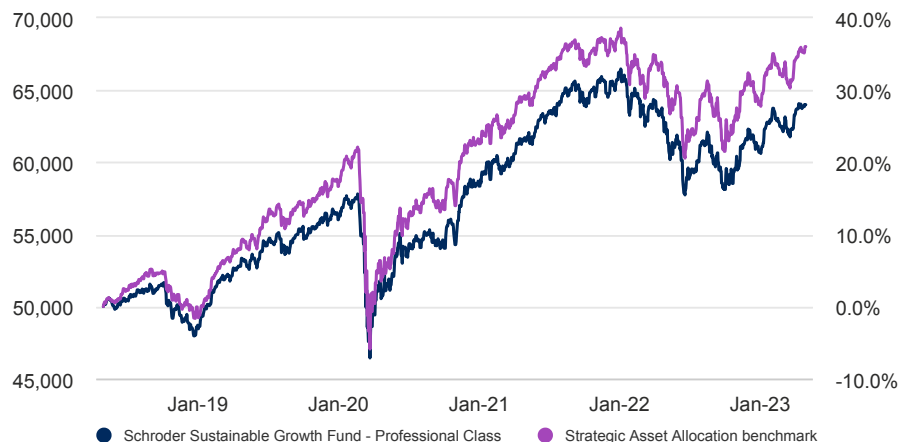
Risk statistics & financial ratios

	Fund	Benchmark
Annual volatility (%) (3y)	7.8	9.0
Sharpe ratio (3y)	0.8	0.8

Source: Morningstar. The above ratios are based on bid to bid price based performance data.

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Return of AUD 50,000



Past Performance is not a guide to future performance and may not be repeated.

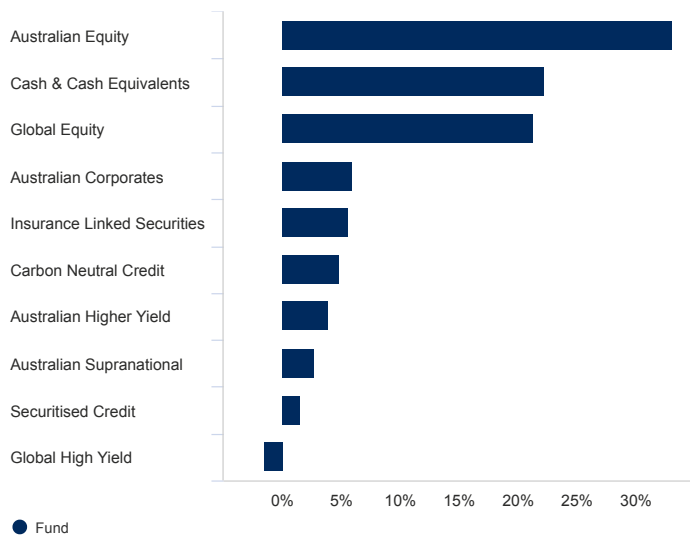
The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

The chart is for illustrative purposes only and does not reflect an actual return on any investment.

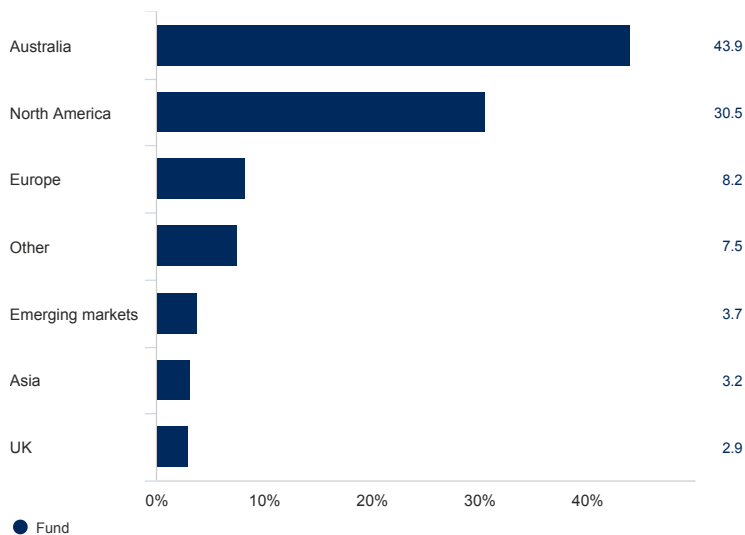
Returns are calculated bid to bid (which means performance does not include the effect of any initial charges), net income reinvested, net of fees.

Asset allocation

Sector (%)



Region (%)



Important information

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Investment in the Schroder Sustainable Growth Fund - Professional Class ("the Fund") may be made on an application form in the Product Disclosure Statement, available from the Responsible Entity, Schroder Investment Management Australia Limited (ABN 22 000 443 274, AFSL 226473) ("Schroders").

This Report is intended solely for the information of the person to whom it is provided by Schroders. It should not be relied on by any person for the purposes of making investment decisions. Total returns are calculated using exit price to exit price, after fees and expenses, and assuming reinvestment of income. Gross returns are calculated using exit price to exit price and are gross of fees and expenses. The repayment of capital and performance of the Fund is not guaranteed by Schroders or any company in the Schroders Group. Past performance is not a reliable indicator of future performance. Unless otherwise stated the source for all graphs and tables contained in this report is Schroders. Opinions constitute our judgement at the time of issue and are subject to change. This report does not contain and is not to be taken as containing any financial product advice or financial product recommendation. For security reasons telephone calls may be recorded.