Schroders

Schroder Investment Management Australia Limited

Unit Pricing Discretions Policy

May 2026

Introduction

This document has been prepared by Schroders and sets out the methodologies applied by Schroders in relation to the calculation of unit prices for the Schemes.

Schroders may be required to exercise discretion in the calculation of Scheme unit prices. This document sets out the circumstances in which discretion is exercised and aims to ensure that:

- Scheme unit prices are calculated fairly and equitably;
- The process of calculating Scheme unit prices is transparent and consistently applied; and
- The methodologies adopted are reviewed at appropriate intervals and revised as necessary to meet commercial and regulatory requirements.

Schroders notes that the exercise of any discretion is subject to the general duties of a Responsible Entity under section 601FC of the Corporations Act, to exercise its powers and carry on its duties in the best interests of the unitholders and to exercise the discretions with a reasonable degree of care and diligence.

Unit Pricing Valuation and Methodology

The basis for determining the unit price of a Scheme is set out in each Scheme's Constitution, which sets out the parameters for calculating the NAV price, the application price and redemption price of Scheme units.

The NAV price of a Scheme is the Net Asset Value of the Scheme divided by the total number of units on issue, as represented by the following formula:

NAV Price

$$\frac{\text{Net Asset Value (NAV)}}{\text{Number of Units on Issue}}$$

The application price is the Net Asset Value of the Scheme plus the transaction costs divided by the total number of units on issue, as represented by the following formula:

Application Price

$$\frac{\text{Net Asset Value (NAV)} + \text{Transaction Costs}}{\text{Number of Units on Issue}}$$

This is the price used by Schroders to calculate the number of units to be allocated to the value of an application, unless Schroders waives or reduces the buy/sell spread (refer section 5 below).

The redemption price is the Net Asset Value of the Scheme less the transaction costs divided by the total number of units on issue, as represented by the following formula:

Redemption Price

$$\frac{\text{Net Asset Value (NAV)} - \text{Transaction Costs}}{\text{Number of Units on Issue}}$$

This is the price used by Schroders to calculate the value of a redemption of units or the number of units to be cancelled in relation to the value of a redemption, unless Schroders waives or reduces the buy/sell spread (refer section 5 below).

The calculation of Scheme unit prices will require Schroders to exercise its discretion in respect of the following areas:

- Frequency of Scheme unit pricing;
- Cut off time for applications and redemptions;
- Suspension of Scheme unit pricing;
- Scheme unit pricing methodology - forward pricing/ historic pricing;
- Allowance for transaction costs;
- Accruals for assets and liabilities;
- Allocation of assets, liabilities, income and expenses in Schemes with multiple classes;
- Asset valuation; and
- Rounding.

This document sets out a summary of the policies applied by Schroders in relation to the exercise of the discretion.

1. Frequency of Pricing

Where applicable, Schroders normally calculates a NAV price, application price and redemption price once on each Transaction Day as disclosed in the PDS, except where the unit price is suspended (this is discussed separately below).

It should be noted that under each Scheme's Constitution, Schroders may calculate the Net Asset Value of a Scheme (and hence the Scheme's unit price) more than once on a Transaction Day. Circumstances where Schroders may calculate a Scheme's unit price more than once on a Transaction Day, include where an ex-distribution price is calculated on a distribution entitlement date.

2. Cut off time for Applications and Redemptions

Where units are Quoted, units can be purchased and sold when the market is open in accordance with the relevant ASX Listing Rules, AQUA Rules and ASX Settlement Rules or Cboe Operating Rules.

The cut-off time for unlisted Schemes for Schroders is normally 2pm Sydney time on a Transaction Day. Some unlisted schemes require at least 1 business day's notice for applications and redemptions. Please refer to the PDS for the relevant scheme for further information. In addition, please note that the cut-off times for other administration platforms may be earlier than Schroders' normal cut-off times.

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

Where an instruction is received after the relevant cut-off time on a Transaction Day, the instruction will be treated as being received on the following Transaction Day, unless otherwise determined by Schroders at its discretion. The cut-off times may be changed by Schroders at its discretion without notice. Typically an earlier cut-off time will be adopted on days when financial markets have shortened trading hours.

3. Staggering of Redemptions

Where Schroders deems it is in the best interests of unitholders and where permitted within the Scheme's constituent documents, Schroders may stagger redemptions.

In normal circumstances Schroders will process a valid redemption request in full using the redemption price calculated for the Transaction Day. However, in some circumstances, having regard to the size of the redemption and market conditions, Schroders may decide that it is in the best interest of unitholders that the redemption is staggered over a period of time to allow for the orderly sale of assets.

Where Schroders has made a decision to stagger a valid redemption request, the redemption request will be processed in parts over a period of time using the applicable redemption prices calculated on each Transaction Day over the staggered redemption period.

4. Suspension of Unit Pricing

Each Scheme's Constitution and the Corporations Act enable Schroders to suspend the calculation of Scheme unit prices in certain circumstances. These include circumstances where Schroders determines that the value of a Scheme's assets or liabilities cannot be reasonably calculated due to internal conditions such as failure of systems or external conditions where markets are closed or have been subject to significant market movements.

If these circumstances prevail Schroders may exercise its discretion to suspend the processing of instructions received during this period, to ensure unitholders are not unreasonably impacted. Scheme unit pricing will recommence once Schroders is satisfied that the conditions causing suspension have been resolved. Application and redemption requests received during the suspension period will be processed as soon as practicable after recommencement of Scheme unit pricing.

Schroders considers it is reasonable and necessary to have the ability to suspend unit pricing for the proper management of the operations of a Scheme.

5. Pricing Methodology - Forward Pricing

Where units are Quoted, bids and offers placed on market by Authorised Participants or Schroders as Responsible Entity or by Schroders' appointed marker maker on its behalf will be subject to the relevant ASX Listing Rules and AQUA Rules or Cboe Operating Rules.

For unlisted Schemes and off market transactions, Schroders applies a forward pricing methodology to process applications and redemptions in respect of all Schemes Forward pricing occurs when transactions are processed using unit prices determined after instructions have been received.

6. Allowance for the Costs of Transacting

The costs associated with the acquisition and disposal of investments in a Scheme are referred to in the Constitutions as acquisition costs, disposal expenses or simply as transaction costs. Generally, these are the costs associated with acquiring and selling assets including brokerage, buy/sell spreads in underlying securities, settlement and clearing of the assets, stamp duty, government taxes and other costs associated with the purchase or disposal of a security. These costs are commonly referred to as the buy/sell spread. The bid and offer prices for Quoted units incorporate the buy/sell spread and the market markers' fee.

The buy/sell spread is a pre-determined estimate of the costs of transacting, which is set having regard to the costs associated with transacting the types of assets in which a Scheme invests. The amount of the spread is determined based on Schroders' experience of the costs involved in investing in the assets and an assessment of the actual costs that each Scheme has incurred.

The buy/sell spread is reviewed annually or more frequently as circumstances require to ensure that the spread remains appropriate.

Schroders applies a buy/sell spread to the calculation of a Scheme's application price and redemption price to ensure, as far as practicable, that any transaction costs incurred as a result of an investor leaving or entering the Scheme is borne by that unitholder, and not by other unitholders. The buy/sell spread is retained within a Scheme and no part of the buy/sell spread is paid to Schroders as a fee.

In some circumstances, Schroders may increase the buy/sell spread where the costs of transacting are greater than the buy/sell spread. Schroder may waive or reduce the buy/sell spread where there are no transaction costs or reduced transaction costs associated with the purchase or sale of assets.

Some examples of circumstances where Schroders may alter the buy/sell spread include:

- Transfer of Scheme interests between Scheme unitholders;
- In-specie transfer of assets into and out of the Schemes;
- Re-investment of distributions by unitholders into Schemes;
- Switching between Schemes which invest within the same asset class;
- Investing into unlisted securities or unit trusts which do not charge a buy/sell spread;
- Significant change in the liquidity conditions in the market as reflected through the bid/offer spreads on securities; and
- A significant cashflow in or out of the Scheme occurs.

Where applicable, Schroders will review a transaction to determine whether it is appropriate to increase, waive or reduce the buy/sell spread.

7. Accruals for Assets and Liabilities

Accruals for assets and liabilities other than immaterial amounts are provided for within the Net Asset Value of a Scheme where they have a known value or a value that can be reasonably estimated.

Liabilities generally include both management fees and other expenses. The management fee is the fee for Schroders' services in overseeing the operations and management of a Scheme. Other expenses include the expenses which may be incurred by Schroders, such as audit costs, postage and the preparation of tax returns.

Each of these expenses, if material, is accrued on a daily basis in the unit price. Schroders reviews these accruals on a regular basis to ensure that the amounts accrued are consistent with actual expenditure.

Immaterial or non-recurring or unexpected expenditure are not accrued in the Net Asset Value of a Scheme. These expenses are paid and deducted from the Net Asset Value as soon as practicable after receipt of the invoice.

Asset accruals, such as income receivable for dividends, trust distributions and interest may also be subject to estimation based on latest available information.

Schroders exercises its discretion concerning accruals for assets and liabilities in accordance with the relevant accounting standards and generally accepted accounting principles.

8. Allocation of Assets, Liabilities, Income and Expenses in Schemes with Multiple Classes

In Schemes where there is more than one class of units offered to unitholders, the allocation of the assets, liabilities, revenue and expenses for each class is generally calculated based on the proportion of the Net Asset Value of the Scheme to which the class relates.

Where a particular expense (for example management fees) is exclusive to a particular class, Schroders will usually determine the expense applicable to each class of units independently.

9. Asset valuation

The valuation of Scheme assets is governed by the Constitution, which allows Schroders to determine the value of a Scheme's assets.

The following represents a summary of Schroders' valuation policy in relation to a Scheme's assets:

Exchange Traded Assets

Valuations of assets that are actively traded on a recognised securities exchange are generally determined by reference to the latest available market price, normally represented by the official closing price. Valuations of assets that are infrequently traded on a recognised securities exchange may be determined by reference to the latest available market information where no market price is available.

The market prices are sourced by Schroders' appointed custodian and administrator from independent third party information providers.

Non-exchange Traded Assets

Where assets held by a Scheme are not traded on a recognised securities exchange, values are generally determined by reference to periodic third party valuations. This ensures that the asset value is independent and verifiable. The valuation of private assets such as private loans and private debt is subject to a separate private assets valuation policy.

Whilst the custodian and administrator values the Scheme assets, Schroders retains the responsibility for ensuring that all asset valuations are determined in accordance with the Constitution, PDS and legislative requirements.

Adjusted Indicative Net Asset Value (Adjusted iNAV)

Where units in a Scheme are Quoted, an Adjusted iNAV will be published by Schroders at regular intervals during a Transaction Day. The Adjusted iNAV represents an indicative value of the Schemes' assets and may be updated for price movements of the schemes underlying investments through live market prices or proxy instruments where possible. The Adjusted iNAV is referenced in quoting bid and offer prices in the market making process.

10. Rounding

Schroders rounds a Scheme's price to 4 decimal places. The bid and offer prices for Quoted units are rounded to 2 decimal places.

A unitholder's entitlement to units in a Scheme is also round to 4 decimal places, except for Quoted units, which are rounded down to the nearest whole number.

The impact to unitholders due to rounding should be negligible. Where rounding results in any excess funds or fractions of units not being allocated to a unitholder, the amount of any excess is applied to a Scheme.

11. Compensation Thresholds

Consistent with FSC Guidnce Note 51, Schroders has adopted the following compensation thresholds:

- 0.3% variance of the unit price for all Schemes listed in Table A below.
- 0.15% variance of the unit price for all Schemes listed in Table B below.
- Compensation amounts of $20.00 or more will normally be paid. Where a decision has been made to pay compensation in relation to an error in unit pricing, it is generally expected that all affected Scheme members will be paid the compensation. This general policy is subject to practical considerations such as the time and costs involved in payment of the compensation, in particular, for small amounts.

Schroders will in all circumstances review the nature of the error and consider whether the maximum thresholds are justified in all circumstances.

Table A: List of Funds With Variance Threshold of 0.3% of Unit Price
All registered and unregistered schemes operated by Schroder Investment Management Australia Limited other than those fund listed in the table B below.
Table B: List of Funds With Variance Threshold of 0.15% of Unit Price
Schroder Enhanced Cash Management Fund

12. Exercise of discretion

Schroders has formulated this document in line with ordinary commercial practice and therefore considers that it is reasonable to exercise the discretions as documented.

Where Schroders exercises a discretion in a manner which involves a departure from this document, a record of the event will be made which includes the following details:

- The date the discretion was exercised and the Scheme(s) involved;
- Who exercised the discretion;
- A description of how the discretion was exercised;
- An explanation as to why it was reasonable to exercise the discretion the way it was exercised; and
- If discretion was not exercised in accordance with ordinary commercial practice, an explanation as to why it was not practical to do so.

13. Record keeping

Schroders will retain all records concerning documented policy in relation to the exercise of discretion and records of the discretions exercised under section 10 above for seven years after they cease to be current.

14. Policy disclosure

Schroders will provide a copy of this document upon request and at no charge to any unitholder of a Scheme and will ensure that a current copy is available to unitholders on Schroders' website.

15. Compliance with this Policy

It is expected that all Schroders staff will comply with the requirements of this document.

16. Review and Compliance with this Policy

This document will be reviewed at least annually to ensure that it remains relevant, current and compliant with all applicable laws.

Glossary

Adjusted iNAV	means the adjusted indicative NAV per unit which gives an intra-day estimated value of the investment.
AQUA Rules	means Schedules 10 and 10A of the ASX Operating Rules and the corresponding ASX Procedures (as applicable) and such other rules that govern the listing or transfer of AQUA Products (as the term is defined in the ASX Operating Rules) as amended from time to time.
ASX	means ASX Limited (ACN 008 624 691).
ASX Listing Rules	means the listing rules of the ASX and any other rules of the ASX which are applicable while the Scheme is Quoted, as amended from time to time, subject to any waivers granted by the ASX.
ASX Operating Rules	means the operating rules of the ASX as amended from time to time.
ASX Procedures	means the procedures of the ASX, as amended from time to time.
ASX Settlement Rules	has the meaning given to the term in the ASX Operating Rules.
Business Day	means a day (other than a Saturday, a Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day which the ASX or Cboe declares is not a Business Day) on which banks are generally open for business in Sydney.
Cboe	means Cboe Australia Pty Ltd (ABN 47 129 584 667) and the associated market as the context requires.
Cboe Operating Rules	means the rules governing the market operated by Cboe.
Constitution	means the constitution of each Scheme, as amended or replaced from time to time.
Corporations Act	means the Corporations Act 2001 (Cth) as amended from time to time.
NAV or Net Asset Value	means the total assets minus the total liabilities of a Scheme, units or portfolio in question, as determined in accordance with the Constitution
PDS	means the current product disclosure statement of each Scheme.

Quoted	means quoted on the AQUA trading platform provided by the ASX or Cboe.
Responsible Entity	has the meaning defined in the Corporations Act.
Scheme	means a managed investment scheme registered under the Corporations Act, for which Schroders acts as the Responsible Entity.
Schroders	means Schroder Investment Management Australia Limited (ABN 22 000 443 274) in its capacity as Responsible Entity for a Scheme.
Transaction Day	means a Business Day on which Schroders accepts applications and redemptions as disclosed in the PDS.