Schroder Investment Management North America Inc.
Advisory Brochure

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Item 1: Cover Page

– Schroder Investment Management North America Inc. (the "Adviser") is the United States affiliate of Schroders plc., a global asset management company. The Adviser is registered with the Securities and Exchange Commission (the "Commission") as an investment adviser. The Adviser is also registered as a commodity trading advisor and a commodity pool operator under the Commodity Exchange Act, as amended (the "CEA"), with the Commodity Futures Trading Commission (the "CFTC"), and is a member of the National Futures Association. 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. 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 Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.**

Item 2: Statement of Material Changes

This brochure is the eighteenth amendment to the Firm's Advisory Brochure. This version includes information regarding:

1. Updates to Items 4, 5 and 8 to reflect introduction and deletion of certain strategies, changes to fee schedules and strategy and risk disclosures.
2. Updates to item 12 to reflect new brokerage commission arrangements due to introduction of MiFID II.

Item 3: Table of Contents

Item 4: Advisory Business

- 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 1980.
- The Adviser manages assets for domestic and foreign clients in strategies focusing on US equity and US fixed income securities, including US tax exempt securities. Those strategies are:
  - US Small Cap
  - US Small/Mid Cap
  - US Core Aggregate
  - US Core Plus
  - Municipal Bonds Intermediate and Short Term
  - Municipal Bonds Ultra Short Term
  - Global and US Credit (Corporate)
  - Global and US High Yield
  - Emerging Market Debt Multi-Sector
  - Value Core
  - Value Short Duration
  - Value Intermediate Duration
  - Value Long Duration
  - Value Opportunistic
  - Value Tax Aware
  - Value Tax Aware Opportunistic
  - Cash and Government
  - Global and US Securitized Credit
  - Securitized Credit Long/Short
  - Loan Opportunities
- The Adviser also markets strategies focusing on non-US equity and fixed income securities as well as multi asset, quantitative and alternative strategies. For these strategies, the Adviser delegates portfolio management of the account to an affiliated adviser – Schroder Investment Management North America Ltd ("SIMNA Ltd"). SIMNA Ltd is regulated by the Financial Conduct Authority in the United Kingdom and is also registered with the Securities and Exchange Commission as an investment adviser. [1] Our non-US strategies include:
  - Global/International Diversified
  - Global/International Alpha
  - International Alpha ADR
  - International Small Cap
  - Emerging Market Equity
  - Global Emerging Markets Small Cap
  - Global Climate Change
  - Frontier Markets Equity
  - Global Strategic Bond

[1] As is the case with the Adviser, the mere fact that SIMNA Ltd is registered with the SEC does not imply that SIMNA Ltd. investment personnel necessarily possess any particular level of skill or training.

- The quantitative equity strategies are:
  - Global Core
  - Global Value
  - Global ex-US Value
  - Global Quality
  - Global Blend
  - Global ESG
  - North American Equity (offered in mutual fund only)

- Emerging Market
- Global Value Extension
- Global Absolute

– The multi-asset strategies are:
  - Diversified Growth
  - Strategic Beta

– 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

– The Adviser primarily manages separate accounts on a discretionary basis for institutions, endowments, foundations, pension funds, government retirement plans, insurance companies and, as sub-adviser, to registered investment companies sponsored by other advisers. [2]The specific guidelines for these types of accounts are generally the subject of negotiation with clients. Clients may provide restrictions that differ from the Adviser's usual style of managing for a particular strategy. Some strategies – particularly fixed income – may have more latitude for accepting deviations from the ordinary management style of a strategy.

– The Adviser also acts as the investment adviser to the Schroder Funds, which are sold in the US predominantly to institutional clients. The Adviser also serves as the manager and general partner of private investment partnerships or funds. When investment management services are offered through US registered funds or private investment vehicles, any sales of those products directly to investors are conducted through an affiliated broker-dealer named Schroder Fund Advisors LLC ("SFA"). SFA is registered with the Financial Industry Regulatory Authority ("FINRA").The FINRA license is a limited one. Other than fund sales, SFA does not execute securities transactions on behalf of clients of the Adviser.

– The Adviser also acts as the investment adviser to The Swiss Helvetia Fund, which is a closed-end investment product. Common shares of this Fund are only available for purchase/sale on the New York Stock Exchange at the current market price. The Adviser delegates portfolio management of this Fund to SIMNA Ltd.

– The Adviser also manages some strategies for offshore affiliated advisers. This includes management of some offshore funds in Luxembourg. Not all of those strategies are available in the US. The Adviser has also registered in several Canadian provinces: Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan.

– The Adviser does not sponsor a wrap fee program and does not actively manage accounts in wrap fee programs sponsored by others. It does provide model portfolios to wrap-fee program sponsors but all orders for the program's accounts are raised by the wrap fee program sponsor.

– The table below shows the assets under management. The top lines show the total assets under management for all investment mandates in which the Adviser is the named investment manager or general partner. The total is broken down according to the assets that are managed by the Adviser and the assets that have been delegated to our affiliated adviser, SIMNA Ltd.

[2]In a 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.

As of December 31, 2017	Assets		# of Acct
Owned By SIMNA Inc.	$71,202,287,469	USD	355
Delegated to SIMNA Inc.	$40.928,080,063	USD	168
Total SIMNA	**$112,130,367,532**	**USD**	**523**
Managed by SIMNA Inc.	$65,551,734,798	USD	445
Managed by SIMNA Ltd.	$46,578,632,734	USD	78
	$112,130,367,532	**USD**	**523**

Item 5: Fees and Compensation

The Adviser generally offers investment advisory services on a discretionary basis for institutions and pooled vehicles. Although it currently does not have such arrangements, it may occasionally offer non-discretionary advisory basis for intermediary clients.

The prospectus of each registered fund advised or sub-advised by the Adviser sets forth the applicable fees and expenses. With respect to unregistered private funds managed by 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 the Adviser and an investor in a private fund.

The strategies available and the current standard fee structures for separate accounts are as follows:

U.S. EQUITIES

Small Cap Core
Separate Account
Management fee – 1.00% on first $100 million, 0.85% on next $100 million and 0.75% thereafter
Minimum account size: $50 million

Small/Mid Cap
Separate Account
Management fee – 0.80% on first $50million, 0.70% on next $100 million and 0.60% thereafter
Minimum account size: $50 million

FIXED INCOME

US Core Aggregate
Separate Account
Management fee – 0.25% on first $100, 0.20% on the next $100 million and 0.15% thereafter
Minimum account size: $40 million

US Core Plus
Separate Account
Management fee – 0.30% on the first $100 million, 0.25% on the next $100 million and 0.20% thereafter
Minimum account size: $40 million

Municipal Bonds: Intermediate & Short-Term / Crossover and Duration Neutral Core – (duration > 2 years)
Separate Account
Management fee – 0.30% on the first $25 million and 0.25% thereafter, negotiable over $100 million
Minimum account size: $10 million

Municipal Bonds: Ultra Short-Term / Ultra Short-Term Crossover and Ultra Short-Term Duration NeutralCore – (duration 2 years or less)
Separate Account
Management fee – 0.25% on first $25 million and 0.20% thereafter
Minimum account size: $10 million

US Credit (Corporate)
Separate Account
Management fee – 0.30% on the first $100 million, 0.25% on the next $100 million and 0.20% thereafter
Minimum account size: $100 million

Global Credit (Corporate)
Separate Account
Management fee – 0.35% on first $100, 0.25% on the next $100 million and 0.20% thereafter
Minimum account size: $100 million

High Yield: U.S. and Global
Separate Account
Management fee – 0.50% on first $100, 0.45% on the next $100 million and 0.40% thereafter
Minimum account size: $100 million

Emerging Market Debt Multi-Sector (Relative Return)
Separate Account
Management fee – 0.60% on first $100 million, 0.50% on the next $100 million, 0.40% on the next $300 million and 0.35% thereafter
Minimum account size: $100 million

Value Core, Value Short Duration, Value Intermediate Duration, Value Long Duration, Value Opportunistic
Separate Account
Management fee – 0.375% on first $30 million, 0.25% on the next $70 million, 0.125% on the next $400 million, 0.1% for the next $500 million, and .08% thereafter
Minimum account size: $30 million

Value Tax-Aware, Value Tax Aware Opportunistic
Separate Account
Management fee – 0.3375% on first $30 million, 0.225% on the next $70 million, 0.1125% on the next $400 million, 0.09% for the next $500 million, and .072% thereafter
Minimum account size: $30 million

Cash and Government
Separate Account
Management fee – 0.100% on all assets
Minimum account size: $30 million

Global and US Securitized Credit
Separate Account
Securitized Investment Grade
Management fee – 0.25% on the first $100 million, 0.20% on the next $250 million, 0.15% on the next $250 million and .012% thereafter
Minimum account sizeL: $75 million

Separate Account
Enhanced Securitized (Benchmark relative)
Management fee – 0.35% on first $100 million 0.30% on the next $250 million, 0.25% on the next $250 million and 0.20% thereafter
Minimum account size: $75 million

Separate Account
Enhanced Securitized (LIBOR)
Management fee – 0.40% on first $100 million 0.35% on the next $250 million, 0.30% on the next $250 million and 0.25% thereafter
Minimum account size: $75 million

Separate Account
Enhanced Securitized Plus (LIBOR)
Management fee – 0.50% on first $100 million 0.45% on the next $250 million, 0.40% on the next $250 million and 0.35% thereafter

Minimum account size: $75 million

Separate Account
Enhanced Short Duration
Management fee – 0.30% on first $100 million 0.25% on the next $250 million, 0.20% on the next $250 million and 0.15% thereafter
Minimum account size: $75 million

Separate Account
Opportunistic Multi-Sector
Management fee – 0.70% on first $100 million 0.65% on the next $250 million, 0.60% on the next $250 million and 0.55% on the balance
Minimum account size: $75 million

Securitized Opportunistic Multi-Sector Long/Short
This strategy is available only through a pooled investment vehicle.

Loan Opportunities
This strategy is available only through a pooled investment vehicle.

NON-U.S. EQUITIES & FIXED INCOME

Global/International Diversified
Separate Account
Management fee – 0.50% on first $50 million, 0.40% on next $50 million and 0.35% thereafter
Minimum account size: $50 million

Global/International Alpha
Separate Account
Management fee – 0.70% on first $50 million, 0.60% on next $50 million and 0.55% thereafter
Minimum account size: $50 million

International Alpha ADR
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

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 Emerging Markets Small Cap
Separate Account
Management fee – 1.35% on first $100 million and 1.10% thereafter
Minimum account size: $100 million

Global Climate Change
Separate Account
Management fee – 0.70% on first $50 million, 0.60% on the next $50 million and 0.55% 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

Global Strategic Bond LP
Separate Account
Management Fee – 1.00% on all assets + performance fee
Minimum account size: $50 million

QUANTITATIVE EQUITY PRODUCTS (QEP)

Global Core
Separate Account
Management fee:0.27% on first $100 million; 0.20% on the next $200 million; and 0.15% on the next $200 million; and 0.135% on the next $500 million 0.125% thereafter
Minimum account size: Typically $200 million

International (ex-US) Multi-Cap Value
Separate Account
Management fee: 0.65% on first $100 million; 0.55% on the next $200 million; and 0.45% on the next $200 million 0.40% thereafter
Minimum account size: Typically $150 million

Global Multi-Cap Value
Separate Account
Management fee: 0.65% on first $100 million; 0.55% on the next $200 million; and 0.45% on the next $200 million 0.40% thereafter
Minimum account size: Typically $150 million

Global Multi-Cap Quality
Separate Account
Management fee: 0.65% on first $100 million; 0.55% on the next $200 million; and 0.45% on the next $200 million 0.40% thereafter
Minimum account size: Typically $150 million

Global / International ESG
Separate Account
Management fee: 0.65% on first $100 million; 0.55% on the next $200 million; and 0.45% on the next $200 million 0.40% thereafter
Minimum account size: Typically $150 million

Global Value Extension
Separate Account
Management fee: 0.75% on first $100 million; 0.70% on the next $200 million; 0.60% on the next $200 million; and 0.55% thereafter
Minimum account size: Typically $150 million

Emerging Markets Multi-Cap
Separate Account
Management fee: 0.75% on first $100 million; 0.70% on the next $200 million; 0.60% on the next $200 million; and 0.55% thereafter
Minimum account size: Typically $150 million

North American Equity
Separate Account
Management fee: 0.20% on first $100 million; 0.18% on next $100 million; and 0.15% thereafter
Minimum account size: This approach is currently not accepting any new separate accounts

MULTI-ASSET

Diversified Growth
Separate Account
Management fee – 0.60% on first $200 million, 0.525% on the next $300 million, 0.475% on the next $500 million, 0.45% on the next $500 million and 0.425% thereafter
Minimum account size: $300 million

Strategic Beta
Separate Account
Management fee – 0.55% on first $300 million, 0.50% on the next $200 million and 0.45% thereafter
Minimum account size: $300 million

ALTERNATIVES

Commodities
Separate Account
Management fee – 0.80% on all assets
Minimum account size: $400 million

Emerging Market Debt (Absolute Return)
This strategy is available only through a pooled investment vehicle.

Insurance-Linked Securities
This strategy is available only through a pooled investment vehicle.

PORTFOLIO SOLUTIONS

U.S. Risk-Managed Equities
Separate Account
0.20% on 1st $250mm
0.15% on balance
$250,000 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 1st $250mm
0.15% on balance
$250,000 per annum minimum fee
Fees are assessed on notional exposure rather than the assets under management

The Adivser sometimes negotiates and agrees to fees on a different basis where the circumstances warrant it. The Adviser sometimes agrees to a lower fee, for example, where the amounts managed significantly exceed the minimum investment or where the client has multiple existing accounts. Fee proposals made by the Adviser in connection with Request for Proposals ("RFPs") sometimes vary from the published fee schedule. Some clients have fees based on a different fee schedule which was in effect at the time agreements were originally executed. Fees sometimes are higher for clients who seek specialized mandates that vary significantly from the standard strategies managed for other clients. The Adviser may waive the minimum account size.

With respect to the wrap-fee programs on which the Adviser provides model portfolios, the Adviser receives an investment management fee which is paid to the Adviser by the program's sponsor. The investment management fee is calculated as a percentage of assets under management and is generally payable quarterly.

The Adviser collects fees paid by clients for which the Adviser is providing portfolio management services. For separate accounts and for investments in funds that do not have fund-level advisory fees, clients may select to have the Adviser bill the client for fees incurred, or the client may instead agree to instruct its custodian to deduct advisory fees direclty from the client's account.

Advisory clients incur other expenses apart from the advisory fee. These expenses typically include custody fees, brokerage commissions, taxes and other transaction fees. Funds and partnerships will have other expenses that include but are not limited to 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.

Item 6: Performance-based fees and Side-by-Side Management

- The Adviser sometimes enters into agreements for performance-based fee with qualified clients. Some private funds also have fees calculated in part on performance.
- There are instances in which a portfolio manager is managing accounts in the same strategy that have differences in the fee paid by different accounts. This would include the management "side-by-side" of accounts with performance based and non-performance based fee. Managers have a potential conflict of interest arising from the fee difference among accounts, including the possible incentive to favor accounts for which the Adviser receives performance based fee. Performance based fee arrangements may provide more of an incentive than asset based only fee arrangement for portfolio managers to make investments that may present a greater potential return but also present a greater risk of loss. Side-by-side management of accounts with different fee structures may also create an incentive for portfolio managers to allocate scarce investment opportunities to accounts that pay higher fees and those that pay performance based fees. To address these types of conflicts, the Adviser has adopted policies and procedures pursuant to which allocation decisions may not be influenced by fee arrangements, and investment opportunities are allocated in a manner that the Adviser believes is consistent with its fiduciary obligations to each client.
- 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 cost. Where trades are done in the aggregate, a portfolio manager cannot favor one account over the other. In addition, a performance committee consisting of investment and compliance staff 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. 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.

Item 7: Types of Clients

- The Adviser provides investment management services predominantly to institutions, endowments, foundations, pension funds, government retirement plans, and insurance companies and, as sub-adviser, to registered investment companies sponsored by other advisers. These clients and prospects are usually sophisticated investors.
- The Adviser does offer municipal bond strategies through separate accounts and markets to high net worth clients in addition to institutions. The high net worth clientele generally consists of individuals, trusts, family offices, endowments, pension funds and private investment funds. The Adviser also manages mutual funds open to retail investors but the Adviser almost exclusively markets to institutional clients and fund of funds products, who may have direct investments in the funds.
- The Adviser manages private institutional vehicles including trusts and partnerships and offers those only on a private placements 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 8: Methods of Analysis, Investment Strategies and Risk of Loss

EQUITIES

1. **Small Cap and Small and Midcap Strategies**

– The US Small Cap and Midcap Equity investment strategies use a bottom-up, fundamental and research based approach. Jenny Jones and Bob Kaynor, the portfolio managers, and a team of analysts work to identify companies that have compelling business models, strong management teams and attractive valuation levels. Research resources include company management, industry competitors, company filings, media and suppliers. The portfolios in the strategies generally hold 100-150 stocks. Portfolios are diversified by type of company, with approximately 50-70% of the portfolio invested in what the Adviser believes are mispriced growth opportunities, 20-50% in "steady Eddies" (companies with stable and dependable earnings and revenue characteristics), and 0-20% in turnarounds. The strategies are flexible core investment styles; they aim to adapt to changing market dynamics throughout the economic cycle.

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 adverse economic and market conditions, volitile political conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investments in small and medium capitalization companies generally carry a 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. **International and Global Small Cap**

– The International and Global Small Companies strategy has a core investment style with a growth bias. It is managed by SIMNA Ltd. 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. In normal market conditions, the portfolio of approximately 200 stocks (approximately 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, volitile 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.

3. 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 at SIMNA Ltd, works to identify those companies which will deliver positive earnings urprise (we term this 'positive growth gap'). The strategies focus on selecting the 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.

4. Emerging Market Equity and Frontier Markets Equity

– The Emerging Market Equity strategy, which is managed by SIMNA Ltd, 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 potentially with higher risk attached. The investable universe is primarily defined by the MSCI Emerging Markets Index, which currently covers 24 countries and over 800 stocks.

– 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 currently covers 29 countries and over 110 stocks, although the investment team will also invest in the wider frontier markets universe.

– Key characteristics of both strategies are summarized below:
  - 50% of alpha generation is targeted from country allocation and 50% from stock decisions
  - Country decisions are driven by a proprietary quantitative country model together with judgment overlay
  - Fundamental research carried out by analysts drives stock selection.
  - Risk management is applied in a proactive and disciplined fashion and includes tracking error targets and stop-loss reviews
  - 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.

5. 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 1,800 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. 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.
- 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.

6. **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 at SIMNA Ltd 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, typically resulting in a high conviction portfolio of 40–60 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.

7. **QEP Strategies**

– The Global unconstrained strategies, which include a Value, Quality and Blend approach, are index unconstrained, and diversified. The portfolio management team, located at SIMNA Ltd and 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 and stability. 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 non-market cap and determined evaluation of a company 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.
- Global Value Extension looks to enhance the premium to Value investing by purchasing cheap companies up to a maximum of 150% of net asset value. The strategy shorts low quality companies up to 50% of net asset value, which acts as style diversifier for some of the less desirable characteristics of the long Value side of the portfolio, while also acting as a return enhancing strategy in its own right. Global Value Extension makes use of OTC financial derivatives to leverage the portfolio and implement short positions. Global Absolute is a global equity market neutral strategy aiming to deliver uncorrelated absolute returns over the longer term by purchasing companies up to 200% and shorting companies up to 200%. Both Global Value Extension and Global Absolute make use of OTC financial derivatives to leverage the portfolio and implement short positions. There is no guarantee these derivatives will achieve their intended outcome, even if the terms of the contract are completely satisfied. If a counterparty to a financial derivative contract were to default, the unrealized profit on the contract and its market exposure may be lost. The use of leverage and short selling introduces additional 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.

8. Swiss Equities

- 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 axis: 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.

9. 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 four 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 specialized 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.

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 interests 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.

FIXED INCOME

1. **US Multi-Sector**

   A. **Fixed Income Core and Core Plus**

- The Core Fixed Income strategy seeks to maximize total return by investing across the full maturity and investment grade spectrum of US fixed income sectors and securities. The investment team, led by Andrew Chorlton, focuses on active sector rotation and security selection – supported by extensive proprietary fundamental, technical and quantitative research. The team makes investment decisions on a relative-value basis. Key features include:
  - Risk management central to investment philosophy, process and implementation
  - Sector and security selection are the key drivers of alpha
  - Portfolio duration is tightly controlled within +/- 10% range of benchmark duration
- The team also uses a similar approach for a Core Plus strategy. That strategy permits up to a 20% allocation, respectively, to high yield and non dollar securities. Emerging market debt securities may also be utilized in the strategy, but are incorporated into the total 20% allocation to the plus sectors.

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.

   B. **Value Strategies (Core, Short Duration, Intermediate Duration Long Duration, Opportunistic, Tax-Aware and Tax-Aware Opportunistic)**

- Schroders Value seeks to generate total return by investing primarily in investment grade bonds denominated in USD. The difference in management between portfolios is the application of value management to a portfolio's specific duration, currency, tax situation and investment guidelines.
- The Schroder Value strategy is value-driven, and is based on the premise that pricing inefficiencies exist in the market and our ability to identify those leads to superior investment performance. The strategy focuses on identifying primarily investment grade bonds or sectors whose valuations have become dislocated from the underlying fundamentals primarily due to technical reasons and believe purchasing undervalued bonds and selling them once they are fully-priced rewards investors. Our sector and security weightings are made independent from the benchmark and our positioning reflects our value approach, as well as the attractiveness of the opportunities relative to the broad market.
- The Schroder Value strategy does not believe that the general level of interest rates can be reliably forecast, so it does not invest based on a view of future changes in interest rates. A portfolio's duration is defined by the duration of the specific investment assignment. For the Opportunistic strategy, the duration profile may vary over time depending on Schroders' strategic assessment of market and economic conditions and other factors. Sector allocation and individual security decisions are made independent of sector and security weightings in the benchmark. The Opportunistic strategy

can be limited to investment grade instruments or include an allocation to high yield instruments.

- The team also uses a similar approach for its Tax-Aware strategy. That strategy may be managed using only investment grade securities or as a strategy that permits up to a 20% allocation, respectively, to high yield and non-dollar securities. Emerging market debt securities may also be utilized in the strategy, but are incorporated into the total 20% allocation to the plus sectors.
- Strategies are also offered in Sterling-denominated accounts.

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. The Schroders Value strategy investment process does at times involve frequent trading in securities, which may result in relatively high transaction costs and may result in taxable capital gains.

C. Municipal Bonds

- The municipal bond team, use fundamental, bottom-up security selection of less-followed municipal bonds with a goal of delivering: maximum after-tax yield and income in high levels of credit quality.
- Key features of the approach include:
  - Research-driven process
  - Diversified portfolios
  - Relative-value security selection
  - Focus on high-quality, higher-yielding issues
  - Duration-neutral approach

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 volatility of the municipal bond market, interest rate risk, credit risk, liquidity risk and inflation/deflation risk.

2. Global and US Credit

A. Global and US Corporate Bond

- The Corporate Bond strategy focuses on individual security selection and industry weightings. The strategy relies on the fundamental research done by the Adviser's analysts and its own internal quantitative tools and valuation screens. Potential investments are evaluated on a relative value basis. The team seeks the most attractive trade-off between risk and reward. Key features include:
  - Research-driven, themes-based investment process
  - Analysts rigorously evaluate issuers for fundamental value, relative value and volatility
  - Relative value approach to decision making with opportunistic management in changing markets
  - Risk management is embedded in the investment process

B. Global and US High Yield

- The Global High Yield strategy seeks to generate total return by investing across the full maturity spectrum of below investment grade corporate bonds denominated in various currencies. The strategy may invest up to 30% in investment grade corporate bonds and government securities. The strategy typically does not invest in equities or leveraged loans.

- The team considers issuer and issue selection and industry allocation. The team has a tilt toward credit quality that typically contributes excess returns relative to the benchmark. Positions in three other areas are also actively managed: geographic country exposure, duration and curve positioning, and liquidity. Key characteristics of the strategy include:
  - Research-driven, themes-based investment process
  - Analysts rigorously evaluate issuers for fundamental value, relative value and volatility
  - Relative value approach to decision making with opportunistic management in changing markets
  - Risk management is embedded in the investment process

Risks for Global and US Credit

- High yield risk - companies that are highly leveraged, less creditworthy or financially distressed. These investments (known as junk bonds) are considered to be speculative and are subject to greater risk of loss, greater sensitivity to interest rate and economic changes, valuation difficulties, and potential illiquidity.
- 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, 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.

3. Emerging Market Debt Multi-Sector (Relative Return)

- Schroders Emerging Market Debt Relative is a relative return multi-sector strategy that integrates sovereign dollar debt, local currency rates and currency, and emerging market corporate debt in an actively managed, strategic asset allocation framework. This approach aims to capture the opportunity set in EM fixed income while managing these four alpha sources in an integrated manner with the goal of achieving the highest risk-adjusted returns available. The strategy's benchmark is formulated based on the universe of instruments utilized in a particular account, but a strategy utilizing all of the above instruments typically would have a benchmark index consisting of 1/3 EMBI Global Diversified dollar bond index, 1/3 GBI-EM Global Diversified local currency index, and 1/3 CEMBI Broad Diversified corporate index.
  - The strategy uses an integrated approach to the main sectors of EM fixed income
  - The strategy is less benchmark-constrained, which provides the flexibility to pursue the most attractive investment opportunities available
  - Multi-Sector approach emphasizes key risk factors, stress testing and global scenario analysis for the portfolio as a whole and for each sector
  - Portfolio construction uses an intrinsic rating process; corporate relative value recommendations, and global scenario analysis

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 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. 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:
  - An unconstrained non benchmarked approach to investing in Fixed Income and currency markets
  - A strong focus on portfolio construction
  - 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.

5. Global and US Securitized Credit

– The Securitized Credit strategies seeks to generate total return relative to a benchmark, or absolute return, through exploiting sector, security or pricing inefficiencies across the continuum of securitized assets and collateralized loans. The strategies range from those benchmarked against higher quality Indexes such as the Barclays Agency MBS Index, to those that are unconstrained with respect to credit. Some strategies can utilize borrowing and can also hedge credit risk. Certain strategies can participate in global ABS.

– The startegy is based on a research-oriented, value-driven approach to identify opportunities by participating in sectors where capital provision is inefficient. It begins with a top-down examination of the fundamentals and technical factors across sectors using macro-economic, sector and in-depth trend-oriented research of the mortgage and real estate landscape. This is combined with a detailed risk profiling analysis that groups securities across sectors into similar liquidity, volatility and structural leverage profiles. This bottom-up analysis incorporates an in-depth quantitative assessment and modeling of each bond over a wide variety of economic scenarios and is the foundation for our relative value decisions. This assessment is further enhanced with a qualitative analysis of several other key factors such as counterparty and servicer capabilities and risk. We believe this comprehensive approach is the ideal process to capture value in the securitized market.

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, financing 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, concentration risk and liquidity risk. Frequent turnover of the portfolio may result in relatively high transaction costs and may result in taxable capital gains.

6. **Securitized Opportunistic Multi-Sector Long/Short**

- The strategy is an opportunistic securitized credit strategy focused on generating attractive income and some capital appreciation primarily through investing in mortgage-backed securities, asset-backed securities, and loans. The strategy seeks to provide attractive returns with low correlation to traditional asset classes and low interest rate sensitivity. The strategy employs a research driven approach to exploit specific market inefficiencies due to regulation and structural changes. The strategy invests substantial assets in below investment grade and non-rated securities, and may also invest in derivatives and use leverage.

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, financing risk, inflation/deflation risk, mortgage and asset-backed securities risk, Government securities risk, foreign investment risk, currency risk, derivatives risk, leverage risk, counterparty risk, concentration risk and liquidity risk. Frequent turnover of the portfolio may result in relatively high transaction costs and may result in taxable capital gains. 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. 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.

7. **Loan Opportunities**

- The Loan Opportunities strategy seeks to provide total return produced from current income and preservation of capital by investing in a diversified portfolio of mortgage loans secured by US real estate, predominately commercial real estate. The focus of the strategy is on identifying loans in less competitive markets, such as small to mid size bridge loans, loans on single–family rental portfolios for operators of less than 500 properties, mezzanine loans and b-notes. The strategy targets loans diversified by property type, geography and borrower and will be secured by properties primarily in the office, retail, single-family rental, multifamily, industrial and hospitality properties sectors. The team uses a research oriented value driven approach and proprietary tools to perform in depth analysis of fundamental market factors and property level cash flows to assess, reunderwrite and stress test the loan or pools of loans. The team believes this approach should generate investment opportunities, particularly in inefficient markets, in part by identifying gaps in the provision of loan capital driven by changes in regulations.

Risks

- All investments involve risks including the risk of possible loss of principal. The market value of a commercial mortgage loan portfolio may decline as a result of a number of factors, including interest rate risk, credit risk, inflation/deflation risk, economic risk and commercial mortgage loans risk. Private commercial mortgage or related commercial real estate loans may be subject to prepayment and extension risks, real estate risk, as well as heightened delinquency and foreclosure risks. In addition, the performance of commercial real estate loans will be dependent on the performance of the commercial real estate backing such loans, which in turn will depend on commercial rental or occupancy rates as well as the management skills of the borrower or third party management firm overseeing the property. The loans in the portfolio are expected to be highly illiquid with limited trading market. There may be a limited number of attractive investments which may in turn lead to a lack of diversification. No investment strategy or risk management technique can guarantee returns/income or eliminate risk in any market environment.

8. 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. Generally, we adopt a top-down approach for interest rate (duration) and currency strategies where markets are more liquid and a bottom-up approach for credit selection utilising our in-house credit resources. Our investment philosophy is based on the belief 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 mis-valuations 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 ot 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 multiple views and debate improve the quality of our investment decisions.

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 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.

MULTI-ASSET

1. 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 employ 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.

2. 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 6-8% 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 for Multi-Asset

- 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.

ALTERNATIVES

1. 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 Abdallah Guezour. The investment opportunity set includes more than 60 commodities traded on a wide variety of exchanges around the world.
- The strategy is:
  - Research driven, actively managed
  - Long only, no leverage
  - Index unconstrained
  - Invests in futures, equities, swaps and cash
  - Equal emphasis on agriculture, energy and metals
  - 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.

2. Emerging Market Debt

- The Emerging Market Debt (EMD) Strategy is an absolute return product 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 products. The broad range of assets offered by this asset class presents diverse opportunities for generating returns. The portfolio management team, which is part of SIMNA Ltd and is 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, economic 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 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

3. 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 limited liquidity. 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.

PORTFOLIO SOLUTIONS

1. 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.

2. 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

Cyber Security Risk. With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. 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.

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 provison 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). 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 buisness change from time to time. We cannot predict the effects, if any, of future legal and regulatory changes on our buisness or the services we provide.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

- The Adviser is registered with the National Futures Association as a Commodity Trading Advisor and Commodity Pool Operator.
- The Adviser is also registered as a Portfolio Manager with the Canadian Securities Commissions in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan.
- The Adviser maintains significant relationships relating to its advisory business with affiliated companies.
- Schroder Investment Management North America Ltd ("SIMNA Ltd") provides sub-advisory services on fund and separate account mandates for strategies as described in Item 4. SIMNA Ltd is regulated by the Financial Conduct Authority in the United Kingdom and registered with the SEC. SIMNA Ltd is also registered in Canada as a Portfolio Manager with the Securities Commissions in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan. The Adviser oversees the management by SIMNA Ltd, but the London-based investment teams carry out day to day management of delegated accounts. SIMNA Ltd receives a portion of the advisory fees that the Adviser receives as compensation. Some of the members of the Board of Directors of the Adviser also serve as Directors of SIMNA Ltd.
- Schroder Fund Advisors LLC ("SFA") is a wholly owned subsidiary registered as a broker dealer with FINRA and an exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Quebec and Saskatchewan. SFA distributes equity interests of certain pooled investment vehicles that the Adviser advises. SFA may solicit existing qualified clients to invest into those vehicles.
- Schroder Adveq Management US Inc. ("Schroder Adveq") is an affliate of the Adviser. Schroder Adveq is an asset manager investing in private equity globally and offers specialized investment solutions which allow the firm's clients to access select private market segments through primary, secondary and direct/co-investments. The Adviser anticipates that there will be combined sales efforts to market and sell Schroder Adveq's products, however, Schroder Adveq's investment management team will operate independently of the Adviser's investment teams.
- The Adviser has delegated some back office functions to Schroder Investment Management Ltd. ("SIM"). SIM is a London-based investment manager regulated by the Financial Conduct Authority and not registered with the SEC. It provides finance, clearance and settlement and IT system support for the Adviser.
- The Adviser sometimes purchases for certain accounts shares of funds for which the Adviser serves as the investment manager. The Adviser will not assess its advisory fee on the portion of an account that is invested in such funds.
- Private investment funds organized by the Adviser invest in the same securities as those invested in behalf of other clients, including registered investment companies. The private investment funds' trading methodologies are generally different than that of other accounts and may include short selling and the aggressive use of leverage. At times, the private investment funds may be selling short securities held long in other portfolios. 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.
- The Adviser is the investment manager for the Schroder Capital Management Collective Trust. The Trust consists of co-mingled funds available to ERISA/Public Sector pension plans. Where the Adviser has

discretion over allocation of pension assets, it may invest the pension's funds in the Trust. In such instances, the Adviser will generally not assess an advisory fee at the trust level. The fees are generally negotiated at the time the agreement is executed when investments in the Trust are contemplated. The day to day management of the Trust has been delegated to SIMNA Ltd.

Item 11: Code of Ethics, Insider Trading Policy, Participation in Client Transactions and Personal Trading

– 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 its 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 Policy on Personal Securities Transactions, 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 Inc., 7 Bryant Park, New York, NY 10018-3706.

– The Adviser's officers, directors and employees 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 directors, officers, employees and supervised persons of the Adviser are subject to the provisions of a 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 directors, officers and employees are required to pre-clear their personal transactions through a rules-based automated personal trade dealing system. In this way, all 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 employees a mandatory 60 day holding period on transactions in registered investment companies it advises or sub advises.

– 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 from an issuer. 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 price sensitive information. Employees of the Adviser are not permitted to trade in those securities. It is a violation of United States federal law and a serious breach of the Adviser's policies for any employee to trade in, or recommend trading in, the securities of a issuer, for his/her personal gain or on behalf of the firm or its clients, while in possession of material, nonpublic information ("inside information") which may come into his/her possession either in the course of performing his/her duties, or through a breach of any duty of trust and confidence.

– Further, it is a violation of anti-fraud provisions of the Advisers Act for employees who are or become aware of transactions being considered for clients or are aware of the portfolio holdings in the reportable funds to which the Adviser (or an affiliate) acts an adviser to disclose such information to a party who has "no need to know" or to trade on such information for personal gain by, among other things, front-running or market timing.

Item 12: Brokerage Practices

– 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 creditworthiness 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. 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.

1. Research Commissions

- The Adviser places trades for equity securities with broker-dealers that provide research. The Adviser may pay higher total commissions on equity trades when executing trades that include a provision for research. The Adviser's Brokerage Committee proposes, reviews, and approves total commissions and the split of the commissions between the portion that compensates the broker-dealer for execution or research. US law permits the use of commissions to pay for research, and the Adviser programs are in compliance with the applicable regulatory requirements. Fixed income trades do not include a provision for research.
- Schroder entities that are subject to MiFID II such as SIMNA Ltd, have committed to pay the full cost of research for clients of those entities. Therefore, client accounts that have day to day management delegated by the Adviser to SIMNA Ltd will not have any of their commissions used to pay for research. Similarly, client accounts delegated to the Adviser by an affiliate subject to MiFID II will also not have their commissions used to pay for research. Client accounts that contract with the Adviser and whose day to day management is performed by the Adviser will continue to participate in the soft dollar programs described herein.
- The Adviser may have an incentive to choose a broker-dealer based on receiving research or brokerage services. However, the trading desk trades where it believes it will obtain best execution and the receipt of research does not factor in the traders' decision. The Adviser tries to establish programs at the broker-dealers where its traders execute orders. The Adviser periodically reviews where the trading desk is trading and establishes or changes programs at its top broker-dealers.
- The Adviser considers best price and efficient execution as the paramount considerations in choosing where to trade for clients. 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. For trades placed through some electronic crossing networks and automated trading systems, the commission rates may include total commissions that are above the minimum rate that broker-dealer provides for execution–only. Additional commissions may be paid in light of research services provided, typically provision of third party research and services from other broker-dealers or service providers. Research may constitute a larger portion of the total commission paid to electronic crossing networks or automated trading systems than a similar commission paid to a full service broker-dealer that charges higher execution rates as a result of committing its own capital or providing other execution services.
- The research products and services provided by broker-dealers through soft dollar arrangements benefit the Adviser and may benefit other clients of the Adviser. The Adviser may use the products and services in formulating investment advice for any and all advisory clients, including clients other than those that paid commissions to the broker-dealers on a particular transaction. As such, research generated by a particular client's trade may not benefit that particular client's account.
- The Adviser's research programs make research payments under the safe harbor in Section 28(e) of the Exchange Act. The Adviser may obtain research through a variety of media including through verbal security analysis and opinion in these programs. The services the Adviser receives in its programs may include third party reports or services, seminars, computer software and certain related hardware for arranging and processing research data, portfolio evaluation services and brokerage services. Analysis of economic, political and market factors is also provided. The Adviser seeks research services that complement or expand on its internal research.
- When the Adviser delegates day to day management for a client account to SIMNA Ltd, trades for that account will ordinarily be placed by SIMNA Ltd.'s

trading desk and no research commissions will be generated. The Adviser makes a good faith determination regarding the allocation of research costs borne by the Adviser and its affiliates and the costs borne by the clients participating in the soft dollar programs. This allocation is generally done on the basis of assets under management in a particular strategy that are subject to MiFID II relative to the assets under management in that strategy are not subject to MiFID II. Periodic reviews of the cost allocation are made by the Adviser.

- Portfolio managers periodically evaluate the value of the research products and services provided by brokerage firms Broker-dealers providing general research services are ranked as to their usefulness. The Adviser may also request a broker-dealer to provide a specific research product or service which may be proprietary to the broker-dealer or produced by a third party. The Adviser does not agree with any broker-dealer to direct a specific or minimum amount of commissions. It makes no commitment to compensate the broker-dealer if commissions fall short of covering the target level of commission for the specific research service. Although not obligated to do so, the Adviser may, at its discretion, voluntarily pay the balance due in cash from its own resources.
- The Adviser may subscribe to investment research services that have a "mixed use", i.e., a part of the service is used in the investment decision making process and a part is used for non-research purposes.
- The Adviser's Brokerage Committee oversees its commission practices. The Committee includes representatives of the equity investment teams, trading, operations and compliance. The Committee reviews issues including: which broker-dealers the trading desk uses, soft dollar and other research programs, commission rates, the eligibility of services received and changes in research programs. Because of the nature of the markets, most bond transactions are executed "over-the-counter" on a net basis. Therefore, execution ability dominates the decision for the selection of broker-dealers on bond transactions.
- With respect to fixed income transactions, the Adviser does not have any soft dollar arrangements with broker-dealers and does not direct client trades to particular broker-dealers in exchange for research or other soft dollar benefits. However, the Adviser may receive or have access to research generally made available by a broker-dealer to its clients.

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. 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 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. Commissions and transaction costs likely will 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 based on a client restriction, such as broker restrictions.

– The Adviser allocates among eligible accounts on a pro-rata basis unless allocating a pro-rata would cause the participating account to receive only a de minimis amount such as a small odd lot. If an account could only receive a de minimis allocation, the Adviser will eliminate that account from the trade. If more than one portfolio manager indicates interest in an IPO, the allocation is first made to each portfolio manager based on the indications of interest and then allocated pro rata to each portfolio manager's accounts. If the Adviser receives an allocation in an IPO too small to meaningfully aggregate, it will allocate to managers on an alternating basis. The Adviser then allocates to accounts for each manager in accordance with the policy set forth above. The Chief Compliance Officer must approve any allocation made other than on a pro-rata basis.

– 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, and the account may receive no more than a pro-rata allocation of securities.

– Trades in municipal bonds often are for small lots that cannot be allocated across all accounts. The Adviser generally allocates among client accounts based on one or more of the following criteria:
    - Client guidelines, including state specific needs;
    - Cash availability;
    - Duration needs;
    - Sector needs, and
    - Client restrictions, including issuer limitations, ratings, etc.

– Trades in other fixed income mandates are generally allocated pro rata for accounts managed against the same or similar benchmarks. Transactions may be otherwise allocated to (i) equalize sector weightings relative to other portfolios with similar mandates; (ii) when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, and (iv) with respect to sale allocations, allocations may be given to accounts low in cash. Any allocation that is made other than on a pro-rata basis is reviewed by Compliance. Allocations are generally made prior to trade placement. Block trades that are placed without a prior allocation are allocated promptly thereafter and in any event not later than the close of trading on that day. There may be instances where a client is disadvantaged relative to another when allocating bonds with minimum pieces and lot sizes, due to the Adviser advisor attempting to not leave such client with an uneconomical allocation, such as a position below minimum lot size.

– The Adviser has entered into arrangements with wrap program sponsors to provide a model portfolio. A financial services company that receives the model uses that model to construct portfolios for its clients. The sponsor of the program will 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. Under most circumstances, 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 significantly 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 givesriority in the communication of its model among different non-discretionary clients on a rotating basis if it determines that fair treatment of its client requires that measure.

3. Client Restrictions on Brokers

– A client may direct the Adviser in writing to use a particular broker-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 disadvatages to the client. Such restrictions on broker use can adversely affect best execution, and prospective clients should consider the possible costs or disadvantages of such an arrangement with the value of the services provided. 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 to effectively 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 generally will not enter a client order with a directed broker until after executing such order for its other client accounts if such other order is with a different broker providing best execution. Certain fixed income accounts may experience sequencing delays in order to meet client directed brokerage requests which may impact the Adviser's ability to achieve best execution on behalf of such clients. For fixed income clients who have requested directed brokerage, the clients may lose certain benefits, such as volume discounts that the Adviser may have obtained for its non-directed accounts in a combined order.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.

4. Cross Trading

– The Adviser will, from time to time, recommend that a client sell a particular security while at the same time recommend that a different client buy the same security. Where permitted by applicable regulatory restrictions, the Adviser may "cross" the same security between client accounts. This is done at an independently determined market price and without incurring brokerage commissions, although customary custodian fees and transfer fees may be incurred, none of which will be received by the Adviser. In the case of "cross trades" involving registered investment companies, the Adviser will only effect such transactions in compliance with Rule 17a-7 under the Investment Company Act. The Adviser does not receive any additional compensation as a result of such transactions and only engages in such transactions when it is in the best interest of its clients to do so.

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 are 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.

Item 13: Review of Accounts

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Portfolio managers review all transactions in client accounts on a daily basis. The Adviser also assigns product managers to each team. The product manager reviews the portfolio characteristics and act as the liaison with clients. Portfolio managers or product managers approve client reports before the Adviser sends them to clients. Additional reviews take place when necessary. The events that might trigger additional reviews can include changes in client objectives; unusual investment environments; or a change in investment strategy. The Adviser uses an automated system that allows its compliance function to review trades daily to confirm that the trades meet regulatory requirements and client guidelines.

Item 14: Client Referrals and Other Compensation

- The Adviser compensates affiliated persons for client solicitations and does occasionally enter into solicitation agreements with unaffiliated third parties. For affiliated persons, compensation is done on a discretionary basis. Assets raised are taken into account in determining discretionary bonuses. For unaffiliated persons, the Adviser will pay a portion of its advisory fee to the third party for introducing or servicing accounts. All such arrangements must comply with SEC Rule 206(4)-3. Among other requirements, the Adviser must ensure that the third party provides a written disclosure statement that sets forth the terms of the arrangement. The costs of any such referral fees would be paid entirely by the Adviser and therefore would not result in any additional charges to the client.
- SIMNA has entered into a solicitation agreement with Hartford Funds Management Company ("HFMC") pursuant to which HFMC will refer, offer and provide marketing support services with respect to SIMNA's International EAFE ADR strategy model which SIMNA offers through separately-managed account or unified managed account platforms. SIMNA pays HFMC 15 basis points on total new assets invested in the SIMNA ADR Strategy as measured at the end of each quarter. In addition, SIMNA pays HFMC an annual fee of 8 basis on certain "aged assets" that remain invested for more than one year, which will generally be calculated as 2 basis points on the amount of aged assets which will be paid quarterly within 30 days of the end of each calendar quarter.

Item 15: Custody

- 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. However, the Adviser and one affiliate do act as general partner to some private institutional partnerships and therefore is deemed to have custody under Rule 206(4)-2 under the Advisers Act. The partnerships are audited and the audit reports delivered to investors in the partnerships in compliance with Rule 206(4)-2. The Adviser has authority to deduct fees for some clients.

Item 16: Investment Discretion

- 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 on the client's behalf and at the client's risk, 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 from offshore affiliates route orders in US securities to the Adviser's trading desk for execution. In such instances, those orders typically are aggregated with orders for the Adviser's clients or executed sequentially subject to a written order priority procedure.

Item 17: Voting Client Securities

- 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 and 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 18: Other Financial Information

- 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.

Item 19: Requirements for State-Registered Advisers

- The Adviser makes notice filings with each State and may register some of its employees as advisory representatives in States that so require.

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Schroder Investment Management North America Ltd
Advisory Brochure

March 2018

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.

ITEM 2: Statement of Material Changes

This brochure is the twelth 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 deltete information about the Multi Asset Income strategy.. There were also changes made to Item 12 for how the firm pays for research.

ITEM 3: Table of Contents

ITEM 4: Business Advisory

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 strategies that the Adviser manages for SIMNA Inc. are:

- Global/International Diversified
- Global/International Alpha
- International Alpha ADR
- International Small Cap
- Emerging Markets Equity
- Global Climate Change
- Global Emerging Markets Small Cap
- Frontiers Market Equity
- Global Strategic Bond
- Swiss Equity Strategy

The quantitative equity strategies are:

- Global Core
- Global Value
- Global ex-US Value
- Global Quality
- Global Blend
- North American Equity
- Emerging Market Multi-Cap
- Global Multi-Cap Value
- Global Value Extension

The multi-asset strategies are:

- Strategic Beta
- Diversified Growth

The Adviser also offers alternative investment strategies including:

- Commodities
- Emerging Markey 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 in several Canadian provinces: Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan.

[1] In 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.

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.

If the Adviser provides a model, the sponsor of the program will place trades in the same securities that the Adviser is trading for delegated clients. Trading generated by model programs could under some circumstances cause prices for a given security to fluctuate. Such fluctuations could adversely affect trading for client accounts.

In instances where more than one client relies on a model for investment recomendations, then recommendations are sent in at different time intervals to ensure client orders are not competing against each other in the market for liquidity. The order in which clients are informed of the recommendations is rotated to ensure that no client has a consistent advantage over another.

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. To the extent that 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 transmission of orders for its discretionary accounts in order to confer priority on a model program.

The table below shows the assets under management:

As of December 31, 2017	Assets	# of Accounts
Delegated from SIMNA Inc.	$ 46,578,632,734	80
Managed by SIMNA Ltd.	$ 46,952,026,629	81

ITEM 5: Fees and Compensation

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.

1. Equities

Global/International Diversified

Separate Account

Management fee:	0.50% on first $50 million; 0.40% on next $50 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

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

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 $50 million; 0.60% on the next $50 million; and 0.55% thereafter
Minimum account size:	$100 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

Closed End Fund

Management fee:	0.70% on $0–$250 million; 0.60% on $250–$350 million; 0.55% on $350–$450 million; 0.50% on $450–$550 million; and 0.45% >$550 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:	0.27% on first $100 million; 0.20% on the next $200 million; and 0.15% on the next $200 million; and 0.135% on the next $500 million 0.125% thereafter
Minimum account size:	Typically $200 million

International (ex-US) Multi-Cap Value

Separate Account

Management fee:	0.65% on first $100 million; 0.55% on the next $200 million; and 0.45% on the next $200 million 0.40% thereafter
Minimum account size:	Typically $150 million

Global Multi-Cap Value

Separate Account

Management fee:	0.65% on first \$100 million; 0.55% on the next \$200 million; and 0.45% on the next \$200 million 0.40% thereafter
Minimum account size:	Typically \$150 million

Global Multi-Cap Quality

Separate Account

Management fee:	0.65% on first \$100 million; 0.55% on the next \$200 million; and 0.45% on the next \$200 million 0.40% thereafter
Minimum account size:	Typically \$150 million

Global / International ESG

Separate Account

Management fee:	0.65% on first \$100 million; 0.55% on the next \$200 million; and 0.45% on the next \$200 million 0.40% thereafter
Minimum account size:	Typically \$150 million

Global Value Extension

Separate Account

Management fee:	0.75% on first \$100 million; 0.70% on the next \$200 million; 0.60% on the next \$200 million; and 0.55% thereafter
Minimum account size:	Typically \$150 million

Emerging Markets Multi-Cap

Separate Account

Management fee:	0.75% on first \$100 million; 0.70% on the next \$200 million; 0.60% on the next \$200 million; and 0.55% thereafter
Minimum account size:	Typically \$150 million

North American Equity

Separate Account

Management fee:	0.20% on first \$100 million; 0.18% on next \$100 million; and 0.15% thereafter
Minimum account size:	This approach is currently not accepting any new separate accounts

4. Multi Asset

Strategic Beta

Separate Account

Management fee:	0.55% on first $300 million; 0.50% on the next $200 million; and 0.45% thereafter
Minimum account size:	$300 million

Diversified Growth

Separate Account

AUM	Management Fee
First $200m	0.60%
Next $300m	0.525%
Next $500m	0.475%
Next $500m	0.45%
Thereafter	0.425%

Minimum account size: $300 million

5. Alternatives

Emerging Market Debt

This strategy is available only through a pooled investment vehicle.

Commodities

Separate Account

Management fee:	0.80% on all assets
Minimum account size:	$400 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
$250,000 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
$250,000 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.

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

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 fee. 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 be 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.

ITEM 7: Types of Clients

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.

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 200 stocks (approximately 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 ensuring 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, 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.

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 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 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 24 countries and over 800 stocks.

Key characteristics are summarized below:

- 50% of alpha generation is targeted from country allocation and 50% from stock decisions
- Country decisions are driven by a proprietary quantitative country model together with judgment overlay
- Fundamental research carried out by analysts drives stock selection
- Risk management is applied in a proactive and disciplined fashion and includes tracking error targets and stop-loss reviews
- 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.

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 29 countries and over 110 stocks, although the investment team will also invest in the wider frontier markets universe.

Key characteristics are summarized below:

- 50% of alpha generation is targeted from country allocation and 50% from stock decisions.
- Country decisions are guided by a proprietary quantitative country model together with judgment overlay
- Fundamental research carried out by analysts drives stock selection
- Risk management is applied in a proactive and disciplined fashion and includes tracking error targets and stop-loss reviews
- 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.

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 managers 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 40–60 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 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 1,800 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.

7. 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 and stability. 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 non-market cap and determined evaluation of a company 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 reduce stock specific risk and avoid concentrations at the stock, sector or region levels. The universe adjusted for our International strategy which target 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.

Global Value Extension looks to enhance the premium to Value investing by purchasing cheap companies up to a maximum of 150% of net asset value. The strategy shorts low quality companies up to 50% of net asset value, which acts as style diversifier for some of the less desirable characteristics of the long Value side of the portfolio, while also acting as a return enhancing strategy in its own right. Global Value Extension makes use of OTC financial derivatives to leverage the portfolio and implement short positions. Global Absolute is a global equity market neutral strategy aiming to deliver uncorrelated absolute returns over the longer term by purchasing companies up to 200% and shorting companies up to 200%. Both Global Value Extension and Global Absolute make use of OTC financial derivatives to leverage the portfolio and implement short positions. There is no guarantee these derivatives will achieve their intended outcome, even if the terms of the contract are completely satisfied. If a counterparty to a financial derivative contract were to default, the unrealized profit on the contract and its market exposure may be lost. The use of leverage and short selling introduces additional 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.

8. 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 axis: value and quality.

Risks

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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.

9. 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 four 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.

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 interests 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.

FIXED INCOME

10. 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:

- Unconstrained non benchmarked approach to investing in Fixed Income and currency markets.
- Strong focus on portfolio construction

– 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, 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.

11. 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. Generally, we adopt a top-down approach for interest rate (duration) and currency strategies where markets are more liquid and a bottom-up approach for credit selection utilising our in-house credit resources. Our investment philosophy is based on the belief 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 mis-valuations which can be exploited through fundamental economic and company research. We target investment returns using a medium-term horizon which requires a disciplined approach to building out 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 multiple views and debate improve the quality of our investment decisions.

Risks

Risk management is at the core of every step of our investment process. Our goal is to maximize returns whilst minimizing volatility to provide clients with risk-adjusted returns in excess of the market. Investment risk can be defined as the volatility of portfolio returns, whether absolutely or relative to a benchmark. Investment risk is inherent in active management as risk is necessary to generate performance and needs to be effectively managed. We use a series of quantitative tools to estimate ex-ante portfolio risk (expected portfolio risk given our current holdings) supplemented by reviews of ex-post (i.e. historic) performance and risk data.

OTHER

12. 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 Abdallah Guezour. The investment opportunity set includes more than 60 commodities traded on a wide variety of exchanges around the world.
The strategy is:

- Research driven, actively managed
- Long only, no leverage
- Index unconstrained
- Invests in futures, equities, swaps and cash
- Equal emphasis on agriculture, energy and metals
- 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.

13. Emerging Market Debt Absolute Return

The Emerging Market Debt (EMD) Strategy is an absolute return product 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 products. The broad range of assets offered by this asset class 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.

14. 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 limited liquidity. 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-ASSETS

15. 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 investments 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- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. All investments 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 interest rate risk, credit risk, inflation/deflation risk, currency risk, mortgage and asset-backed securities risk, U.S. Government securities risk, foreign investment risk and derivatives risk.

16. 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 6-8% 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 investments 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- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. All investments 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 interest rate risk, credit risk, inflation/deflation risk, currency risk, mortgage and asset-backed securities risk, U.S. Government securities risk, foreign investment risk and derivatives risk. 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.

17. 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

18. 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.

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.

ITEM 9: Disciplinary Information

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

ITEM 10: Other Financial Industry Activities and Affiliations

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

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, 31 Gresham Street London, EC2V 7QA, UK, or to SIMNA Ltd Compliance Officer US, c/o Schroder Investment Management North America Inc., 875 3rd Avenue, New York, NY 10022, 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 from an issuer. 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 price sensitive information. Employees of the Adviser are not permitted to trade in those securities.

ITEM 12: Brokerage Practices

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.

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 likley 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 board 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 the model uses that model to place orders for its clients based on the model. The sponsor of the program uses the model to 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. 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. In instances where the Adviser may give priority in the communication of its model among different non-discretionary clients on a rotating basis if it determines that fair treatment of its client requires that measure.

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, similtaneously 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.

ITEM 13: Review of Accounts

Portfolio managers review all transactions in client accounts on a daily basis. The Adviser also 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.

ITEM 14: Client Referrals and Other Compensation

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.

ITEM 15: Custody

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.

ITEM 16: Investment Discretion

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 17: Voting Client Securities

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 18: Other Financial Information

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.

ITEM 19: Requirements for State-Registered Advisers

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.

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Schroders

Global & International Equities Supplement

March 2018

Alex Tedder

Simon Webber

Global & International Equities Team

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This brochure supplement provides information about The Schroder International Equities Team. This document supplements the Schroder Investment Management North America Limited ("SIMNA Ltd") brochure. You should have received a copy of that brochure previously or with this supplement. Please contact Schroder Client Services at clientserviceny@us.schroders.com or +44 (0)20 7658 2729 if you did not receive SIMNA Ltd's brochure or if you have any questions about the contents of this supplement.

ITEM 2: Educational background and business experience

Alex Tedder
Head/CIO of Global/International and US Equities, Portfolio Manager

– Based in London, UK
– Re-joined Schroders in August 2014, having commenced his investment career at Schroders in 1990
– In 1994 he moved to Deutsche Asset Management Ltd, where he worked in various capacities including Managing Director and Head of International Equities / Portfolio Manager. He was lead manager of the Deutsche International Select Equity Fund (MGINX) from inception in May 1995. He also previously served as co-manager of DWS International Fund, DWS Worldwide 2004 Fund, Deutsche Global Select Equity Fund and Dean Witter European Growth Fund
– From 2006 to 2014 Alex worked at American Century Investments in New York, latterly as Senior Vice President and Senior Portfolio Manager (Global and Non-US Large Cap Strategies). He was lead manager of the American Century International Growth Fund (TWIEX) from July 2006 to March 2014
– A dual citizen of UK and Switzerland, Alex was educated at Winchester College (UK) and University of Freiburg/Fribourg, Switzerland, where he obtained a Masters' Degree in Economics and Business Administration

ITEM 3: Disciplinary information

There are no legal or disciplinary events to report.

ITEM 4: Other business activities

Mr. Tedder is employed by Schroder Investment Management Limited, which is the parent company of Schroder Investment Management North America Limited, and may undertake investment management duties for both companies. There is no material conflict.

ITEM 5: Additional compensation

Mr. Tedder receives compensation exclusively from Schroder Investment Management Limited. He receives economic benefits for the management of client portfolios and co-mingled funds.

ITEM 6: Supervision

The Global & International Equities Team has multiple layers of supervision. Alex Tedder provides overall team leadership. The Investment team reports to the Global Head of Equities, Nicky Richards.

Schroders has implemented an Investment Risk Management Framework which seeks to ensure that funds are managed in a manner that is consistent with their performance objectives and corresponding risk profiles as sold to investors.

As part of this framework, an Equity Investment Risk Committee meeting is held on at least a quarterly basis. This committee comprises representatives from Investment, Group Risk and the Product Manager, John Chisholm, where appropriate.

The role of the Committee is to:

– validate the appropriateness and completeness of the parameters established and the underlying assumptions and data sets used to calculate exposures; and

– review risk and performance reports (including, where appropriate counterparty and liquidity risk reports) to confirm that portfolios are being managed in a manner that is consistent with their performance objectives, corresponding risk profiles and Group principles.

The Product Manager is best positioned to respond to inquiries about portfolio management.

In addition, the Investment Risk Team monitors compliance with portfolio restrictions. The Head of Investment Risk is Chris Sandum.

Subject	Name	Title	Telephone
Investment	John Chisholm	Product Manager	+1 (212) 632 2950
Business	Nicky Richards	Global Head of Equities	+44 (0)20 7658 6282
Investment Risk	Chris Sandum	Head of Investment Risk	+44 (0)20 7658 3389

ITEM 7: Requirements for state-registered advisers

Not applicable.

Simon Webber
International Equities Lead Portfolio Manager

ITEM 2: Educational background and business experience

- Year of Birth – 1973
- Joined Schroders in 1999
- Investment career commenced in 1999
- Fund manager for Global & International Equity and Global Climate Change Equity, based in London
- He joined Schroders in 1999, initially as a research analyst in the Global Technology Team. In 2001 he became a portfolio manager on the US desk, specialising in technology and industrials. In 2002 he assumed analytical responsibilities for the US telecoms, media & software sectors. In 2004 he joined the Global and International Equities team as a Global Sector Specialist and has covered multiple sectors including autos, utilities, telecoms and consumer discretionary. He has managed the Global Climate Change strategy since its launch in 2007. In 2009 he became a portfolio manager for EAFE mandates and in 2013 was promoted to lead portfolio manager
- CFA 1[1]
- BSc (Hons) in Physics, University of Manchester

ITEM 3: Disciplinary information

There are no legal or disciplinary events to report.

ITEM 4: Other business activities

Mr. Webber is employed by Schroder Investment Management Limited, which is the parent company of Schroder Investment Management North America Limited, and may undertake investment management duties for both companies. There is no material conflict.

ITEM 5: Additional compensation

Mr. Webber receives compensation exclusively from Schroder Investment Management Limited. He receives economic benefits for managing client portfolios.

[1] The CFA Institute is a global not-for-profit association of investment professionals. It awards the CFA designation to those completing the CFA Program, a graduate-level, self study program that covers broad curriculum and professional conduct standards. Candidates must pass three sequential examinations.

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ITEM 7: Requirements for state-registered advisers

Not applicable.

Schroders

FACTS WHAT DOES SCHRODERS DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ▪ Social Security number and income ▪ account balances and account transactions ▪ assets and investment experience When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their clients' personal information; the reasons Schroders chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Schroders share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations	**Yes**	**No**
For our marketing purposes — to offer our products and services to you	**Yes**	**No**
For joint marketing with other financial companies	**No**	**We Don't Share**
For our affiliates' everyday business purposes — information about your transactions and experiences	**Yes**	**No**
For our affiliates' everyday business purposes — information about your creditworthiness	**No**	**We Don't Share**
For nonaffiliates to market to you	**No**	**We Don't Share**

Questions?	For inquiries, call Client Service at (212) 641-3800 or email keyaccounts@schroders.com

Who we are	
Who is providing this notice?	▪ Schroder Investment Management North America Inc. ▪ Schroders Incorporated ▪ Schroder Mutual Funds ▪ Schroder Fund Advisors LLC

What we do	
How does Schroders protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Access to personal information is limited to employees who need it to perform their jobs. Our policies restrict employee use of customer information; requiring it be held in strict confidence.
How does Schroders collect my personal information?	We collect your personal information, for example, when you ▪ open an account and provide account information ▪ give us your contact information ▪ show your driver's license or government issued ID ▪ enter into an investment advisory contract ▪ make a wire transfer
Why can't I limit all sharing?	Federal law gives you the right to limit only ▪ sharing for affiliates' everyday business purposes—information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ▪ *Our affiliates include companies with the Schroder name; financial companies such as Schroder Investment Management North America Limited and Schroder Investment Management Limited; and others, such as the parent, holding company, Schroders plc.*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ▪ *Nonaffiliates we share with can include companies that help us maintain, process or service your transactions or account(s) or financial products, including companies that perform administrative, accounting, transfer agency, custodial, brokerage or proxy solicitation services, or that assist us in marketing.*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ▪ *Schroders doesn't jointly market.*

PROXY VOTING & RELATED MATTERS

I. <u>Proxy Voting</u>

Neither the Advisers Act nor ERISA contain regulations that provide specific guidance in this area. However, under the Advisers Act, the adviser is required to at all times act solely in the best interest of its clients. The DOL staff has gone further by issuing two letters in which it sets forth what it believes to be the proxy voting duties and obligations imposed on investment advisers by ERISA. They set forth specific duties to both the investment adviser and the Plan's "named fiduciary" (the Plan trustees or other entity that appointed the adviser). As a result of these letters, the adviser and the named fiduciary have the following responsibilities:

A. There must be a clear delineation of the proxy voting responsibilities between the adviser and the client.

B. An adviser with proxy voting authority must take steps that are reasonable under the circumstances to verify that it has actually received all the proxies for which it has voting authority.

C. The named fiduciary who has delegated proxy voting authority to the investment adviser may not decide how the proxies are to be voted. However, it must periodically monitor the adviser's proxy voting activities.

D. In voting proxies, investment advisers must act prudently, solely in the interest of Plan participants and beneficiaries, and for the exclusive purpose of providing benefits to them. An investment adviser must consider those factors that would affect the value of the Plan's investments and may not subordinate the interests of Plan participants and beneficiaries in their retirement income to unrelated objectives, such as social considerations. However, with respect to the related issue of making investment decisions, other DOL pronouncements emphasize that social considerations may be used in making investment decisions only to select among investments of equal risk and return.

E. In order to enable the ERISA Plan to properly monitor the Adviser's proxy voting, both the Adviser's voting activities and the ERISA client's monitoring activities must be documented. The ERISA client must be able to review periodically not only the Adviser's proxy voting procedures but also the votes cast in specific cases.

In voting proxies, the Adviser will take into account the above stipulations and will follow these procedures with respect to all accounts, not just ERISA clients. Voting and the decision how to vote have been delegated to proxy function for the entire firm in order to encourage uniformity and consolidate record-keeping where the firm votes proxies for the same security on behalf of multiple related advisers. The Proxy Committee reviews all proxy votes and sets proxy policy. Documentation of all proxy voting and authorizations by portfolio managers is kept on file and available for filing (including form NPX), for production to clients as required and for regulators in all jurisdictions. The standards for proxy voting are retained by the governance function and available on request.

In general, the Adviser does not take direction from its clients with respect to voting proxies.

Further information can be found in the Group policy **Investment and Corporate Governance: Schroders' Policy** on the Intranet.

II. Tender Offers

With respect to the responsibilities of an adviser to an ERISA Plan in takeovers, a joint DOL/Department of the Treasury statement announced that ERISA does not require an adviser automatically to tender shares to capture any premium over market in these situations. Rather, the adviser must weigh the terms of any offer against the underlying intrinsic value of the company and the likelihood that the value will be realized by current management or by another offer.

In acting upon a tender offer, the adviser will continue to act in the best interests of the client, within the adviser's obligations as a fiduciary.

III. Class Actions

When class action notices are received on behalf of SIMNA clients, it is SIMNA's policy to recommend that eligible clients participate. Generally, SIMNA or the client's custodian will prepare any necessary documents required to participate in the class action.