

mFunds FAQs

Frequently asked questions

What are mFunds?

- mFund products are unlisted managed funds admitted for settlement under the ASX Operating Rules. They provide investors, SMSF trustees and their advisers with a way to access asset classes not readily available through listed shares on the ASX. Although not listed on the ASX, mFund products are bought or sold through the ASX in a way that is similar to buying or selling a listed security. mFund provides access to a growing number of unlisted managed funds and can deliver benefits, opportunities and advantages for direct investors.

What are the benefits?

- Using a brokerage account the mFund settlement service provides a straight through process (STP) to invest into a managed fund, removing the need for extensive paper work and potential errors and/or delays associated with completing forms.
- Schroders currently offers eight funds on the mFund Settlement Service across a range of asset classes. The mFund Settlement Service allows you to buy, hold and sell units in Schroders unlisted managed funds through a process similar to buying and selling shares.

What is the broker's role?

- mFunds are accessed via an ASX broker participating in the mFund service. The broker will complete the transaction on the clients' behalf, and will hold the mFund alongside any other investments, such as shares.
- The broker will:
 - o Provide the mFund PDS
 - o Answer your mFund queries
 - o Provide your confirmation statement on your mFund purchase
 - o Complete your Identification requirements and Anti-Money Laundering & Counter-Terrorism Finance paperwork

What is the ASX's role in mFunds?

- The ASX provides the framework which supports the mFund Settlement Service by ensuring all parties, including stockbrokers, fund issuers and unit registrars are accountable for their roles and responsibilities.

What is Schroders' role in mFunds?

- Schroder Investment Management Australia Limited is the issuer of Schroder mFund products. Through purchasing units in a particular Schroders mFund product you are engaging the Schroders investment professionals to invest the funds on your behalf in the manner set out by the Product Disclosure Statement (PDS).

Who is Schroders?

- We manage A\$708.2 billion of assets* on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of asset classes across equities, fixed income and alternatives.



- We employ over 4100 people worldwide operating from 41 offices in 27 different countries across Europe, the Americas, Asia and the Middle East, close to the markets in which we invest and close to our clients.
- Schroders has developed under stable ownership for over 200 years and long-term thinking governs our approach to investing, building client relationships and growing our business.

*Source: Schroders, all data as at 30 June 2017.

What is a Product Disclosure Statement (PDS)?

- A PDS provides investors with important information about the product they are buying to ensure they are informed before committing to the product. The Schroders' PDSs can be found here www.schroders.com.au

What is CHES?

- CHES (Clearing House Electronic Subregister System) is the computer system used by the ASX to record shareholdings and manage the settlement of security transactions.
- Once registered all investments are linked to an investor Holder Identification Number (HIN), which is also used to record any direct share investments.

I can see that Schroders has more funds, why are only 10 available on mFunds?

- The 10 funds currently made available on mFunds have been selected to provide investors with the opportunity to diversify and gain exposure to our capabilities in Australian equities, international equities, fixed income and multi asset.
- As this offering develops, Schroders will continue to assess the products available and will update where appropriate.

mFund Settlement Service compared to the Schroders application form via the Schroders website.

- You can still access our funds, either directly by completing the paper application form in the PDS, or through financial advisers and other industry platforms.
- The mFund settlement service is simply an additional way to access Schroders' capabilities.
- If you have an existing relationship with a broker, much of the duplicate paperwork may be avoided (your broker will advise of any associated costs). All share holdings and managed funds can now be stored under the same HIN, which may assist in making reporting and tax returns a more efficient process.
- Schroders has the same fees on its wholesale funds, whether direct or through mFunds.
- If you require financial advice, we recommend you speak with a professional adviser.

Application / Redemption

How can I apply to mFunds?

- You can access the mFunds service via participating brokers. A list of participating brokers is available on the ASX website.

What is the cut-off time for applications and redemptions?

- The cut off time for mFunds is 10.15am EDT. However, your broker may have earlier cut-off times, please check directly with your broker.

What price will I receive?

- If your instruction is received and accepted before the cut-off time, you will receive the valuation of the relevant fund at market close on the day you transact. The actual transaction price and the number of units will be confirmed in your transaction statement.

How long will my mFund order take to be processed?

- As a guide, orders received before 10.15am on a dealing day will be sent to CHES and Schrodgers. If a valid order is received and accepted by the cut-off time, units will normally be allocated at the unit price for that dealing day. Where the valid instruction is received after the cut-off time, it will be treated as being received on the following dealing day.

When will I receive my confirmation/transaction statement?

- You will receive your confirmation statement when the transaction settles through CHES. Typically this will be the following day. If you have not received your confirmation statement, please contact your broker.

How do I sell my holding?

- Your mFund holding will need to be sold through your broker.

When will the proceeds from my redemption be paid to my bank account?

- On a best endeavours basis, Schrodgers aims to meet redemption payments on a trade date plus 2 business days (T+3) settlement cycle. Under the PDS, Schrodgers can have up to 7 business days to make the payment. In exceptional circumstances, the payment timeframe may be longer. Please refer to the PDS for further details.

What is the minimum amount I can invest?

- The minimum investment amount for the Schrodgers funds admitted to mFunds is \$25,000. The minimum additional investment is then \$5,000.

What ID do I need to pass Anti-Money Laundering (AML) checks?

- This process is undertaken at the time you establish a brokerage account, please consult with your broker for the requirements. Once your brokerage account has been set up, you can commence transacting with Schrodgers.

I have a direct holding with Schrodgers, how can I transfer them to mFunds?

- Please contact your broker to confirm the requirements they have for transferring issuer sponsored units to mFunds.

Why can't I see mFund products through my broker?

- It is possible that your broker may not be a participant in the mFunds service. Please contact your broker to see when mFunds will be available.
- Alternatively, if you wish to purchase units in a Schroder fund directly, please contact a member of our Client Services Team.

What happens if my application or redemption is rejected?

- If the minimum investment or withdrawal amounts have not been met the order will be rejected and your broker will be advised through the CHES system. Application funds will be credited back to your account by your broker.

How do I update my details?

- Your broker is responsible for maintaining and updating your personal details, such as residential address and banking instructions.
- Please contact your broker to change any of your personal information.

Where can I see my account balance?

- You can see your holding through your broker, or you can register for online access on the Schrodgers website.

If I purchase/sell units in a Fund on a non-dealing day, when will the transaction be processed?

- On a non-dealing day, any trades placed will be rolled to the next dealing day.

I purchased/sold units in a Fund on a non settlement day, when will the transaction settle?

- On a non-settlement day such as a NSW public holiday, the ASX will be open but not settling, therefore any trades placed on the non-settlement day will be rolled to the next dealing day.

When is the next non-dealing day?

- Please refer to the Schroders mFund page for the non-dealing day calendar.

Funds

Where can I find out more about Schroders' funds?

- On the Schroders mFund webpage www.schroders.com.au/mFunds, we have a range of information available including the funds' PDS and Product Summaries which provide a summary of key information for each fund.
- If you require financial advice please contact a financial planner.

I am thinking of buying into a managed fund, which one do you recommend?

- We recommend you speak with a financial planner or your broker to discuss your personal circumstances and investment objectives before selecting a fund to meet your personal objectives.
- If you would like more information on the Schroder funds available on mFunds please visit our mFunds webpage www.schroders.com.au/mFunds.

What are the fees for Schroders products?

- Please refer to the below table for relevant fee information.

mFund Code	mFund	Fee
SCH11	Schroder Real Return CPI Plus 5% Fund	0.90% p.a.
SCH12	Schroder Real Return CPI Plus 3.5% Fund	0.60% p.a.
SCH21	Schroder Wholesale Australian Equity Fund	0.92% p.a.
SCH22	Schroder Equity Opportunities Fund	0.92% p.a. Plus performance fee of 15.4% p.a. of gross out performance above 2% p.a. (calculated daily) over the S&P/ASX 300 Accumulation Index
SCH31	Schroder Global Core Fund	0.40% p.a.
SCH41	Schroder Global Emerging Markets Fund	1.40% p.a.
SCH42	Schroder Asia Pacific Fund	1.37% p.a.
SCH45	Schroder Global Recovery Fund	0.98% p.a.
SCH51	Schroder Fixed Income Fund	0.50% p.a.

How can I stay up to date with my investment?

- The Schroders website www.schroders.com.au contains information on each Fund to help you stay up to date with your investment's performance and key moves in the underlying investment portfolio.
- On the website you will find Fund PDSs, Fund Summaries, Fund Reports and other investment education resources.

Important Information:

Suitable for retail clients

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