

Press release

Schroders' highly successful Real Return strategy now available on the ASX (ASX:GROW)

New multi-asset managed fund aims to deliver diversification and 5% p.a. real returns for retail investors

16 August 2016

SYDNEY, AUSTRALIA: Leading global investment manager Schroders has today launched its first direct-to-consumer managed fund on the ASX, bringing its highly successful multi-asset real return strategy to a broader range of Australian investors.

The Schroder Real Return Fund (Managed Fund) ASX:GROW is based on Schroders' successful Real Return CPI Plus 5% fund – which at 31 July 2016 had delivered a 6.4% p.a. post-fee return to investors since inception in October, 2008¹. The fund is one of the longest running global multi-asset funds targeting real returns with low volatility for Australian investors.

GROW is the first active, global multi-asset exchange traded managed fund, that isn't a hedge fund, made available on the ASX.

CEO of Schroder Investment Management Australia, Greg Cooper, said the move to offer the strategy via an exchanged quoted managed fund structure reflected the growing desire of many retail investors, and specifically SMSF investors, to improve portfolio diversification and boost returns – but through a preferred quoted format.

"GROW has been launched in response to investor demand for simple-to-access, diversified strategies that will deliver real returns with lower levels of risk," Mr Cooper said. "Importantly, unlike many hedge funds with similar objectives, the fund aims to achieve its investment objective of CPI+5% p.a. (pre-fees) over rolling three years without a significant use of derivatives and no leverage."

Low return environment driving investor changes

Simon Doyle, Head of Fixed Income and Multi-Asset for Schroders in Australia and lead manager for GROW, said investors were slowly coming to terms with the new low return environment – and the need to change their portfolios to achieve future investment outcomes.

Data from the ATO, Morningstar and Chant West shows that portfolio diversification varies widely across different Australian investor groups – with direct investors, as well as independently run

¹ Performance based on Schroder Real Return CPI Plus 5% Fund – Professional Class with 0.60%p.a. management fee adjusted to reflect GROW management fee of 0.90% p.a.

SMSFs, indicating far less diversification than investors advised by financial planners, or within larger institutional (super) funds.

Mr Doyle said GROW would target brokers and accountants as well as direct investors – as the fund responds to a number of common issues faced by SMSF and higher net worth investors: the need for better diversification and therefore better protection in volatile markets; the desire for real returns in a low return environment; the need to quickly and easily adjust exposures as risk premia change; and more direct and efficient access and administration.

“The problem with many Australians’ portfolios is that with high allocations to a few listed shares and property, people have very high exposures to the same themes, very low protection from certain risks and, overall, little true diversification,” Mr Doyle said.

“With historically low interest rates around the world, investors need to make some changes – so they can be far more dynamic in their management of asset allocation and ensure they have much better diversification of both risk and return. GROW provides all of this in a simple, packaged solution and without the use of complex derivatives or leverage.”

GROW has a low minimum investment hurdle which means investors can now access a diversified active portfolio of assets with less than \$1,000 to invest.

Schroders currently runs around \$8.0 billion on behalf of both institutional and intermediary clients in real return or objective-based strategies.

The flagship Schroder Real Return CPI Plus 5% fund continues to be rated highly by independent research houses in Australia. Schroders was also named the Best Multi-Asset Real Return Manager at the 2015 Professional Planner / Zenith Awards, and are a finalist in the upcoming 2016 awards later this year. In 2015 Schroders was also named Multi-Asset Manager of the Year UK, at the Global Investor Investment Excellence Awards.

For more information please visit www.schroders.com.au/GROW

###

Notes:

The Professional Planner | Zenith Fund Awards are determined using proprietary methodologies. Fund Awards were issued October 9, 2015 and are solely statements of opinion and do not represent recommendations to purchase, hold, or sell any securities or make any other investment decisions. Ratings are subject to change.

Media Contact:

Maggie Liu
Honner
+612 8248 3744 / 0426 871 031
maggie@honner.com.au

Schroders in Australia

Established in 1961, Schroders in Australia is a wholly owned subsidiary of Schroders plc. Based in Sydney the business is focused on asset management for institutional and wholesale clients. Comprising a team of around 95 people it is home to the domestic research and investment teams for capabilities in Australian Equities, Fixed Income and Multi-Asset and QEP Global Equities. Schroders Australia managed \$47bn as at 30 June 2016 on behalf of Australian investors. www.schroders.com.au

Schroders plc

Schroders is a global asset management company with A\$617 billion under management as at 30 June 2016. With one of the largest networks of offices of any dedicated asset management company, we operate from 38 offices in 28 countries across Europe, the Americas, Asia, Middle East and Africa. 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. www.schroders.com

Schroders believes in the potential to gain a competitive advantage from in-house global research which will translate into superior investment performance through disciplined portfolio construction. We believe that internal analysis of investment securities and markets is paramount when identifying attractive investment opportunities. Proprietary research provides a key foundation of our investment process. Indeed, our world-wide network of analysts is one of the most comprehensive research resources wholly dedicated to funds management.

Units in the Schroder Real Return Fund (ASX:GROW) ("Fund") are issued by Schroder Investment Management Australia Limited (ABN 22 000 443 274, AFS Licence No 226473). Past performance is not necessarily indicative of future results and Schroders does not guarantee the future performance of the Fund, the amount or timing of any return from it, or that it will achieve its investment objective. This material has been provided for general information purposes and must not be construed as investment advice. This material has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Investors should consider obtaining professional investment advice tailored to their specific circumstances and should read the relevant Product Disclosure Statement (PDS) prior to making any investment decisions. The PDS is available at www.schroders.com.au/GROW or can be obtained by calling 1300 136 471. Schroders may record and monitor telephone calls for security, training and compliance purposes.