

Customer Help Line +65 65344288 Fax +65 6536 6626
www.schroders.com.sg

16 February 2012

Dear Unitholder,

Schroder Dynamic Allocation Fund – Change in Investment Approach

We, as the Manager of the Fund, are writing to inform you that we will be making some changes to the investment approach of the Schroder Dynamic Allocation Fund (the “Fund”), a sub-fund of Schroder Advantage Series.

As a recap, the Fund’s investment objective is to generate potential annual payouts and potential capital growth through exposure to global fixed income and a dynamic allocation strategy linked to the performance of global equity markets.

Currently, the assets of the Fund may be invested in:

- short term cash or floating rate bonds and/or money market instruments, or other securities or funds which aim to generate similar money market returns, denominated in Singapore dollars (“SGD”) or hedged into SGD (using currency forwards, swaps or options) and issued by corporations, asset-backed vehicles, governments, government agencies or supranationals; and
- one or more total return swap agreements.

Due to the revisions of the Code on Collective Investment Schemes by the Monetary Authority of Singapore (the “MAS”) in April and September 2011, the Fund will, with effect from 1 April 2012, be subject to new investment restrictions which will limit the way in which the Fund utilises financial derivative instruments, which the Fund is currently invested in to meet its investment objective.

With effect from 1 April 2012 (the “Effective Date”), in order for the Fund to comply with the new investment restrictions, the Fund will invest in:

- physical investment in global fixed income instruments*;
- short term cash or floating rate bonds and/or money market instruments, or other securities or funds which aim to generate similar money market returns, denominated in SGD or hedged into SGD (using currency forwards, swaps or options) and issued by corporations, asset-backed vehicles, governments, government agencies or supranationals; and
- futures contracts linked to major equity market indices.

Notwithstanding the above, we as the Manager or Schroder Investment Management Limited as the sub-manager of the Fund, may from time to time select other investments if it is deemed appropriate.

**** It is expected that the Fund’s investment in global fixed income instruments will comprise an investment ranging from 0% up to 100% of the Fund’s prevailing net asset value in shares of the Schroder International Selection Fund (“ISF”) Global Bond. The Schroder ISF Global Bond is a sub-fund of Schroder International Selection Fund, an open-ended investment company incorporated in Luxembourg.***

There will be no changes to the investment objective and the fees of the Fund.

The changes to the investment approach of the Fund (together with any consequential and other amendments) will be reflected in a replacement prospectus for the Fund, which will be lodged with the MAS on or around 30 March 2012. For a more detailed description of the new investment approach of the Fund, please refer to paragraph 7.2 of the replacement prospectus. More details on the Schroder ISF Global Bond can also be found in the replacement prospectus. You can obtain a copy of the replacement prospectus from the distributor from which you bought units in the Fund or our website after 1 April 2012.

This notice is for your information only. No action is required from you.

If you would like more information, please contact your professional advisor or our Customer Help Line on (+65) 65344288.

Thank you for your continued support in the Schroder Dynamic Allocation Fund.

Yours faithfully,

Albert Tse
Head of Intermediary Distribution,
Southeast Asia

For and on behalf of
Schroder Investment Management (Singapore) Ltd

This is a computer generated letter and requires no signature.