

Important Tax Information – Schroder Short-Term Municipal Bond Fund

November 2009

During 2009, shareholders of Schroder Short-Term Municipal Bond Fund received distributions of both net investment income (dividends) and liquidating distributions from the Fund.

In conjunction with regular year-end processing, shareholders that hold their investment directly with the Fund will be receiving information on a Form 1099-DIV with respect to the income dividends, along with additional, supplementary tax information that will explain the appropriate tax treatment for the income dividends.

With respect to liquidating distributions paid by the Fund during 2009, such amounts should not be included in the shareholder's income as capital gains until the shareholder has recovered the entire tax cost (basis) of his or her investment in the Fund, as reduced by the liquidation proceeds, or the Fund's liquidation is complete, whichever comes first. To the extent that total of the liquidation distributions is greater or less than a shareholder's basis, the difference will constitute short-term or long-term capital gain or loss, depending on the length of time the shareholder held his or her shares of the Fund. For federal income tax purposes, shareholders will recognize capital gains to the extent the liquidating distributions received by them exceed their tax basis, but are not permitted to recognize any capital loss until they receive the final liquidating distribution.

Please feel free to contact your financial advisor or the Schroder Mutual Funds shareholder service center at 800-464-3108 with any questions. For tax questions regarding your personal situation, we suggest that you contact your own tax advisor.