



# PROSPECTUS

March 1, 2009

## SCHRODER MULTI-ASSET GROWTH PORTFOLIO

### *R Shares*

This Prospectus describes Schroder Multi-Asset Growth Portfolio (the “Fund”), a mutual fund offered by Schroder Series Trust (the “Trust”).

**Schroder Multi-Asset Growth Portfolio** seeks long-term capital appreciation through a flexible asset allocation approach. The Fund allocates its investments among a variety of different asset classes — including traditional asset classes and “alternative” asset classes — in response to changing market, economic, and investment conditions. An investment in the Fund involves risks.

This Prospectus explains what you should know about the Fund before you invest. Please read it carefully. You can call the Schroder Mutual Funds at (800) 464-3108 to find out more about the Fund and other funds in the Schroder family of funds, and to obtain a Prospectus. From outside the United States, please call (617) 483-5000 and ask to speak with a representative of the Schroder Mutual Funds.

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

***SCHRODER SERIES TRUST***

## TABLE OF CONTENTS

	<u>Page</u>
SUMMARY INFORMATION . . . . .	1
FEES AND EXPENSES . . . . .	14
PRINCIPAL RISKS OF INVESTING IN THE FUND . . . . .	15
NON-PRINCIPAL INVESTMENT STRATEGIES AND TECHNIQUES . . . . .	27
MANAGEMENT OF THE FUND . . . . .	29
HOW THE FUND'S SHARES ARE PRICED . . . . .	30
TYPES OF SHARES AVAILABLE . . . . .	32
HOW TO BUY SHARES . . . . .	34
HOW TO SELL SHARES . . . . .	35
EXCHANGES . . . . .	37
DIVIDENDS AND DISTRIBUTIONS . . . . .	37
FREQUENT PURCHASES AND REDEMPTIONS OF FUND SHARES . . . . .	37
PAYMENTS TO FINANCIAL INTERMEDIARIES . . . . .	38
TAXES . . . . .	39
DISCLOSURES OF FUND PORTFOLIO INFORMATION . . . . .	41
FINANCIAL HIGHLIGHTS . . . . .	41
USA PATRIOT ACT . . . . .	43
APPENDIX A . . . . .	A-1
APPENDIX B — PRIVACY STATEMENT . . . . .	B-1

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## SUMMARY INFORMATION

**Investment Objective.** To seek long-term capital appreciation.

**Principal Investment Strategies.** The Fund seeks long-term capital appreciation through a flexible asset allocation approach, investing in traditional asset classes and in alternative asset classes. The Fund's adviser, Schroder Investment Management North America Inc. ("Schroders"), and sub-adviser, Schroder Investment Management North America Limited ("SIMNA Ltd."), allocate the Fund's investments among asset classes in response to changing market, economic, and political factors and events that the adviser or sub-adviser believe may affect the value of the Fund's investments. The Fund seeks a level of investment return, after investment advisory fees, in excess of the rate of inflation.

The Fund's adviser or sub-adviser may seek exposure to the asset classes described below by investing in other investment companies or investment pools or by investing directly in securities and other investments. These might include, for example, other open-end or closed-end investment companies (including investment companies that concentrate their investments in one or more industries or economic or market sectors), exchange-traded funds ("ETFs", which are open-end investment companies whose shares may be bought or sold by investors in transactions on major stock exchanges), and unit investment trusts, and domestic or foreign private investment pools (including investment companies not registered under the Investment Company Act of 1940, as amended (the "1940 Act"), such as "hedge funds") or indexes of investment pools. Some of these funds or pools may be managed or sponsored by the adviser or sub-adviser and its affiliates, although others may not be. (The amount of the Fund's investment in certain investment companies or investment pools is limited by law or by tax considerations.)

The Fund pursues its objective by using a combination of the following strategies:

- Allocating its investments among a broad array of traditional asset classes, such as equity and fixed-income investments, and less traditional, alternative asset classes, such as investments in real estate, commodities, currencies, and private equity, and investments in absolute return strategies, described below;
- On-going asset allocation across markets and asset classes in response to changing market conditions and market cycles; and
- Specialist management within certain of the underlying asset classes. The Fund's adviser or sub-adviser may itself manage the Fund's assets allocated to a particular asset class, either directly or through a mutual fund or other pooled vehicle managed by it, or it may invest the Fund's assets in other investment companies or private investment pools providing access to specialist management outside of the Schroders organization.

The Fund's adviser and sub-adviser will emphasize the management of risk and volatility. Generally, the Fund's adviser and sub-adviser seeks to minimize volatility in the value of its portfolio by:

- Using a wide range of asset classes whose performance the adviser or sub-adviser believes will not be highly correlated with each other;
- Employing asset allocation positioning with the aim of providing greater stability of performance; and
- Employing derivatives to seek to limit the potential for loss in times of market volatility.

The portfolio is not managed with reference to a specified benchmark. Every asset class is reviewed on an ongoing basis by the Fund's adviser or sub-adviser to determine whether it provides the opportunity to enhance performance or to reduce risk. The portfolio will be allocated across a range of asset classes. Exposure to different asset classes and strategies will vary over time, in response to changes in the adviser's or the sub-adviser's assessment of changing market, economic, and political factors and events that the adviser or sub-adviser believe may impact the value of the Fund's investments.

The Fund's adviser and sub-adviser will rely on proprietary asset allocation models to adjust the amount of the Fund's investments in the various asset classes. They may manage the Fund's investments in all of these asset classes directly, or may obtain exposure to one or more of these asset classes through investment in other registered investment companies or private investment pools or through the use of derivatives, as described below. The amount of the Fund's investment in a particular asset class, or the types of investments it may make in a particular asset class, may be limited by tax considerations or limitations imposed by federal securities laws.

### **Principal Investments.**

#### ***Traditional Asset Classes*** —

***Equity Investments*** — Equity securities, of U.S. or foreign issuers of any size. Equity securities include common stocks, preferred stocks, and securities convertible into common or preferred stocks, and options and warrants to purchase common or preferred stocks. The Fund may invest any portion of its assets in equity securities of issuers located in "emerging market" countries. The Fund may also purchase securities in initial public offerings ("IPOs"). In selecting investments for the Fund, the Fund's adviser or sub-adviser may seek to identify securities of companies in industries, sectors, or geographical regions that it believes are undervalued or otherwise offer significant potential for capital appreciation, and companies that it believes offer the potential for capital appreciation based on novel, superior, or niche products or services, operating characteristics, quality of management, an entrepreneurial management team, their having gone public in recent years, opportunities provided by mergers, divestitures, new management, or other factors.

***Fixed-Income Investments*** — Debt securities of issuers located anywhere in the world believed to offer the potential for attractive capital appreciation, current income, or both. Debt securities in which the Fund may invest include securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities; debt securities of domestic or foreign corporations; mortgage-backed and other asset-backed securities; obligations of international agencies or supranational entities; debt securities convertible into equity securities; inflation-indexed bonds; structured notes, including hybrid or "indexed" securities, event-linked bonds, and loan participations; and delayed funding loans and revolving credit facilities. Fixed income securities in which the Fund invests may include securities that pay interest at fixed rates or at floating or variable rates; payments of principal or interest may be made at fixed intervals or only at maturity or upon the occurrence of stated events or contingencies. The Fund may invest in securities of any credit rating, including securities of investment grade and higher-yielding, lower-rated securities, sometimes known as "junk" bonds. Securities will be considered to be of investment grade if they are rated BBB or above by a nationally recognized statistical rating organization (for example, Moody's Investor Service, Inc. ("Moody's"), Standard & Poor's Rating Service ("S&P"), or Fitch Investors Service, Inc. ("Fitch")), or if they are unrated and the Fund's adviser or sub-adviser

considers them to be of comparable quality. If more than one nationally recognized statistical rating organization has rated a security, the highest rating will control for this purpose. The Fund will not normally invest in securities rated below CC- or the equivalent (or determined by the Fund's adviser or sub-adviser to be of comparable quality). The Fund may invest any portion of its assets in debt securities of issuers located in "emerging market" countries.

**Short-Term Investments** — Short-term, high quality investments, including, for example, commercial paper, bankers' acceptances, certificates of deposit, bank time deposits, repurchase agreements, and investments in money market mutual funds or similar pooled investments.

**Alternative Asset Classes** —

**Real Estate** — Investments in real-estate related securities, such as real estate investment trusts ("REITs") (equity REITs or mortgage REITs), real estate operating companies, brokers, developers, and builders of residential, commercial, and industrial properties; property management firms; finance, mortgage, and mortgage servicing firms; construction supply and equipment manufacturing companies; and firms dependent on real estate holdings for revenues and profits, including lodging, leisure, timber, mining, and agriculture companies.

**Absolute Return** — Investments in portfolios of securities managed to provide an investment return that is generally independent of changes in the values of broad-based equity securities indices. Those portfolios may include long and short equity or fixed-income positions and investments in derivatives. Absolute return investments will normally be selected for their ability to provide predictable, hedged returns over time.

**Infrastructure** — Securities of U.S. and non-U.S. issuers providing exposure to infrastructure investment. Infrastructure investments may be related to physical structures and networks that provide necessary services to society, such as transportation and communications networks, water and energy utilities, and public service facilities.

**Commodities** — Investments intended to provide exposure to one or more physical commodities or securities indices. Investments may include, by way of example, futures contracts, options on futures contracts, and forward contracts, and securities designed to provide commodity-based exposures.

**Currencies** — Investment positions in various foreign currencies, including actual holdings of those currencies, forward, futures, swap, and option contracts with respect to foreign currencies.

**Private Equity** — Investments in private companies (or private investments in public companies) typically made in connection with the organization or restructuring of a company, including so-called leveraged buy-outs and management buy-outs.

The Fund's adviser or sub-adviser may also seek exposure to the asset classes described above either by investing in other investment companies or investment pools or by investing directly in securities or other investments. The Fund may seek to obtain, or reduce, exposure to one or more asset classes through the use of exchange-traded or over-the-counter derivatives, such as, for example, futures contracts, interest rate swaps, total return swaps, options (puts and calls) purchased or sold by the Fund, and structured notes. The Fund may also use derivatives for hedging purposes, or to gain long or short exposure to securities or market sectors as a substitute for cash investments or pending the sale of securities by the Fund and reinvestment of the proceeds. Any use of derivatives strategies entails the risks of investing directly in the

securities or instruments underlying the derivatives strategies, as well as the risks of using derivatives generally, and in some cases the risks of leverage, described in this Prospectus and in the Fund's Statement of Additional Information ("SAI"). In addition, investments in derivatives, as well as in securities with substantial market and/or credit risk as well as foreign securities, tend to have exposure to liquidity risk, as described further in this Prospectus and in the Fund's SAI.

Provisions of the 1940 Act and the rules promulgated thereunder limit the Fund's ability to invest both in certain derivatives that are not "securities" as the term is defined in the 1940 Act and in other funds. The Fund relies on exemptive relief from the Securities and Exchange Commission (the "SEC") to use such derivatives and to invest in other funds, subject to certain conditions.

The Fund's adviser or sub-adviser may sell securities when it believes that they no longer offer attractive potential future returns compared to other investment opportunities or that they present undesirable risks, or in order to limit losses on securities that have declined in value. If the Fund's adviser and sub-adviser trade the Fund's portfolio securities frequently, it may result in taxable capital gains and transaction costs (such as brokerage expense or the bid/asked spread on purchases and sales of securities).

The Fund's investment adviser or sub-adviser may retain one or more other additional sub-advisers to manage portions of the Fund's portfolio invested in certain asset classes. The Fund may apply for exemptive relief from the SEC to permit the Fund's adviser or sub-adviser to retain one or more sub-advisers without approval of shareholders of the Fund. Until the Fund receives that relief, the Fund's adviser or sub-adviser will not generally be permitted to retain any sub-adviser (other than certain sub-advisers affiliated with Schrodgers) without shareholder approval, although the Fund will be permitted to terminate any sub-advisory agreement.

The table below shows the anticipated percentage ranges of the Fund's investments in various asset classes and the percentages of the Fund's assets invested in these classes as of January 2, 2009. The Fund may gain exposure to each asset class directly, through investments in other investment companies, or through use of derivatives. It is possible that at any time the allocation and advisory arrangements with respect to an asset class will be different from those shown in the table. Allocations and anticipated investment ranges will change over time.

<b>Asset Class</b>	<b>Estimated Allocation (as of January 2, 2009)</b>	<b>Anticipated Investment Ranges</b>
<b>Equity Investments</b>	44.5%	0-75%
<b>Fixed Income Investments</b>		
Investment Grade Fixed-Income Investments	15%	0-25%
Emerging Market and Below Investment Grade Fixed Income Investments	19%	0-25%
<b>Alternative Investments</b>	19.5%	0-50%
Real Estate	8%	0-25%
Absolute Return	5%	0-30%
Infrastructure	4.5%	0-15%
Commodities	0%	0-20%
Currencies	0%	0-8%
Private Equity	2%	0-15%
<b>Cash and other short-term investments</b>	2%	0-25%

The Fund will seek to allocate its investments across a variety of asset classes, which may serve to reduce overall investment risk, although it is not a guarantee against losses. Although Schrodgers will attempt to reduce the volatility of the Fund's portfolio through investment across a variety of asset classes, there can, of course, be no assurance that Schrodgers will be successful in doing so. It is possible that the Fund could experience losses in all of the asset classes in which it has invested at any time. The Fund is a diversified investment company as defined in the 1940 Act.

As of January 2, 2009, the Fund allocated approximately 60% of its assets to pooled investment vehicles not sponsored by Schrodgers or a Schrodgers affiliate, approximately 30% of its assets to pooled investment vehicles sponsored by Schrodgers or a Schrodgers affiliate, and approximately 10% of its assets to direct investments (not through other investment pools). These allocations change over time, as do allocations between direct investments and affiliated and unaffiliated pooled investment vehicles.

Three of the underlying affiliated funds in which the Fund's assets are currently invested are the Schroder U.S. Small and Mid Cap Opportunities Fund, Schroder International Alpha Fund, and Schroder International Diversified Value Fund. Summaries of the investment strategies of these underlying funds are provided in Appendix A. From time to time the Fund may invest in other or different affiliated funds or may no longer invest in these underlying funds at all or in a significant amount. Schrodgers may change the investment policies and/or programs of these underlying funds at any time without notice to shareholders of the Fund. Each of the underlying funds is subject to some or all of the risks detailed under "Principal Risks of Investing in the Fund."

In addition, the underlying unaffiliated funds to which the Fund may indirectly have exposure may include, but are not limited to, Goldman Sachs High Yield Fund, which invests primarily in high yield, fixed income securities that, at the time of purchase, are non-investment grade, and iShares iBoxx Investment Grade Corporate Bond Fund, which seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a segment of the U.S. investment grade corporate bond market as defined by the iBoxx® \$ Liquid Investment Grade Index. For a more detailed explanation of each underlying fund's principal investments, investment methodology and risks, please refer to the prospectus of each underlying fund. From time to time the Fund may invest in other or different unaffiliated funds or may no longer invest in the funds above at all or in a significant amount.

### **Principal Risks.**

- It is possible to lose money on an investment in the Fund.
- **Equity Securities Risk.** Equity securities are securities that represent an ownership interest (or the right to acquire such an interest) in a company and include common and preferred stocks. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of bonds take priority over holders of preferred stock, whose claims take priority over the claims of those who own common stock.
- **Equity Markets Risk.** The values of equity securities fluctuate in response to issuer, political, market, and economic developments. Equity prices can fluctuate dramatically over short time periods in response to these developments. Different parts of the market and different types of equity securities can react differently to these developments. For example, large capitalization stocks can react differently from small capitalization stocks, and "growth" stocks can react differently from "value"

stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole.

- **Small and Mid Cap Companies Risk.** Small companies tend to be more vulnerable to adverse developments than larger companies. The Fund may invest in micro-cap companies, which tend to be particularly sensitive to the risks associated with small companies. Small companies may have limited product lines, markets, or financial resources, or may depend on a limited management group. Their securities may trade less frequently and in limited volumes. As a result, the prices of these securities may fluctuate more than the prices of securities of larger, more widely traded companies. Also, there may be less publicly available information about small and mid cap companies or less market interest in their securities as compared to larger companies, and it may take longer for the price of the securities to reflect the full value of their issuers' earnings potential or assets.
- **Initial Public Offerings (IPOs) Risk.** The Fund may purchase securities of companies in IPOs of their securities, either in the initial offering itself or shortly after the initial offering. Such investments are subject generally to the risks described above under "Small and Mid Cap Companies Risk." Such securities have no trading history, and information about such companies may be available for very limited periods. Under certain market conditions, very few companies, if any, may determine to make IPOs of their securities. At any particular time or from time to time the Fund may not be able to invest in securities issued in IPOs or invest to the extent desired. The investment performance of the Fund during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when the Fund is able to do so. The prices of securities sold in IPOs can be highly volatile.
- **Convertible Securities Risk.** The Fund may invest in preferred stocks that are convertible into common stocks, and so subject to the risks of investments in both preferred and common stocks. The Fund may also invest in corporate debt securities that may be converted at either a stated price or stated rate into underlying shares of preferred or common stock, and so subject to the risks of investments in both debt securities and equity securities.
- **Warrants Risk.** The Fund may invest in warrants to purchase equity securities. The price, performance and liquidity of such warrants are typically linked to the underlying stock, less transaction costs. In addition to the market risk related to the underlying holdings, the Fund bears additional counterparty risk with respect to the issuing broker. Moreover, there is currently no active trading market for equity-linked warrants.
- **Interest Rate Risk.** Interest rate increases can cause the price of a debt security to decrease. In addition, if a security is prepaid in a period of falling interest rates, the Fund may have to reinvest the proceeds in lower-yielding investments. Interest rate risk is generally greater in the case of securities with longer durations and in the case of portfolios of securities with longer average durations.
- **Credit Risk.** The ability, or perceived ability, of the issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security.
- **Inflation/Deflation Risk.** Inflation risk is the risk that the value of the Fund's investments may decline as inflation reduces the value of money. Deflation risk is the

risk that prices throughout the economy may decline over time, which may have an adverse effect on the creditworthiness of issuers in whose securities the Fund invests.

- **Extension Risk.** During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below-market interest rate, increase the security's duration, and reduce the value of the security.
- **Valuation Risk.** Due to the nature of some of the Fund's investments and the market environment, a portion of the Fund's assets may be valued by Schrodgers at fair value pursuant to guidelines established by the Board of Trustees. The Fund's assets may be valued using prices provided by a pricing service or, alternatively, a broker-dealer or other market intermediary (sometimes just one broker-dealer or other market intermediary) when other reliable pricing sources may not be available. To the extent the Fund relies on a pricing service to value some or all of its portfolio securities, it is possible that the pricing information provided by the service will not reflect the actual price the Fund would receive upon sale of a security. In addition, to the extent the Fund sells a security at a price lower than the price it has been using to value the security, its net asset value will be adversely affected. If the Fund has overvalued securities it holds, you may end up paying too much for the Fund's shares when you buy into the Fund. If the Fund underestimates the price of its portfolio securities, you may not receive the full market value of your Fund shares when you sell. When the Fund invests in other mutual funds or investment pools, it will generally value its investments in those funds or pools based on the valuations determined by the funds or pools, which may not be precisely the same as if the net assets of the funds or pools had been valued using the procedures employed by the Fund to value its own assets.
- **U.S. Government Securities Risk.** Securities issued or guaranteed by certain agencies and instrumentalities of the U.S. Government are not supported by the full faith and credit of the United States. For example, mortgage-backed bonds issued by Fannie Mae or Freddie Mac are backed only by the credit of those issuers. Although Fannie Mae and Freddie Mac are now under conservatorship by the Federal Housing Finance Agency, and are benefiting from a liquidity backstop of the U.S. Treasury, no assurance can be given that these initiatives will be successful. Investments in U.S. Government securities may also be subject to interest rate risk (as described above under "Interest Rate Risk"), prepayment risk (as described below under "Mortgage and Asset-Backed Securities Risk"), extension risk (as described above under "Extension Risk"), and the risk that the value of the securities will fluctuate in response to political, market, or economic developments.
- **Mortgage and Asset-Backed Securities Risk.** Mortgage-backed and asset-backed investments tend to increase in value less than other debt securities when interest rates decline, but are subject to similar risk of decline in market value during periods of rising interest rates. The values of mortgage-backed and asset-backed securities become more volatile as interest rates rise. In a period of declining interest rates, the Fund may be required to reinvest more frequent prepayments on mortgage-backed and asset-backed investments in lower-yielding investments. In addition to interest rate risk (as described above under "Interest Rate Risk"), investments in mortgage-backed securities composed of subprime mortgages may be subject to a higher

degree of credit risk and valuation risk (as described above under “Credit Risk” and “Valuation Risk”) and liquidity risk (as described below under “Liquidity Risk”).

Asset-backed securities in which the Fund invests may have underlying assets that include motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property and receivables from credit card agreements. Like mortgages underlying mortgage-backed securities, underlying automobile sales contracts or credit card receivables are subject to prepayment, which may reduce the overall return to certificate holders. Certificate holders may also experience delays in payment on the certificates if the full amounts due on underlying sales contracts or receivables are not realized by the Trust because of unanticipated legal or administrative costs of enforcing the contracts or because of depreciation or damage to the collateral (usually automobiles) securing certain contracts, or other factors.

If the Fund purchases mortgage-backed and asset-backed securities that are ‘subordinated’ to other interests in the same mortgage pool, the Fund as a holder of those securities may only receive payments after the pool’s obligations to other investors have been satisfied. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool’s ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless; the risk of such defaults is generally higher in the case of mortgage pools that include so-called ‘subprime’ mortgages. An unexpectedly high or low rate of prepayments on a pool’s underlying mortgages may have a similar effect on subordinated securities. A mortgage pool may issue securities subject to various levels of subordination; the risk of non-payment affects securities at each level, although the risk is greater in the case of more highly subordinated securities.

- **High-Yield/Junk Bonds Risk.** Securities rated below investment grade (“high-yield bonds” or “junk bonds”) lack outstanding investment characteristics and have speculative characteristics and are subject to greater credit and market risks than higher-rated securities. The lower ratings of junk bonds reflect a greater possibility that adverse changes in the financial condition of the issuer or in general economic conditions, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. If this were to occur, the values of such securities held by the Fund may become more volatile.
- **Foreign Investment Risk.** Adverse political, regulatory, market, or economic developments in foreign countries can affect issuers located in those countries. Investments in foreign countries may also be subject to foreign withholding taxes.
- **Foreign Currencies Risk.** Investments in foreign securities are normally denominated and traded in foreign currencies. The value of the Fund’s assets may be affected favorably or unfavorably by currency exchange rates, currency exchange control regulations, and restrictions or prohibitions on the repatriation of foreign currencies.
- **Emerging Markets Securities Risk.** The Fund may invest in “emerging market” countries whose securities markets may experience heightened levels of volatility. The risks of investing in emerging markets include greater political and economic uncertainties than in foreign developed markets, currency transfer restrictions, a more limited number of potential buyers, and an emerging market country’s dependence on revenue from particular commodities or international aid. Additionally, the securities

markets and legal systems in emerging market countries may only be in a developmental stage and may provide few, or none, of the advantages or protections of markets or legal systems available in more developed countries. Emerging market countries may experience extremely high levels of inflation, which may adversely affect those countries' economies, currencies, and securities markets. Also, emerging market issuers are often smaller and less well-known than larger, more widely held companies, and involve certain special risks associated with smaller capitalization companies described above under "Small and Mid Cap Companies Risk."

The Fund's adviser and sub-adviser currently consider "emerging market" countries to be countries not included at the time of investment in the Morgan Stanley International World Index of major world economies. Countries currently in this Index include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong SAR, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The Fund's adviser or sub-adviser may at times determine based on its own analysis that an economy included in the Index should nonetheless be considered an emerging market country, in which case that country would constitute an emerging market country for purposes of the Fund's investments. The Fund's adviser and sub-adviser have determined, based on an analysis of current economic and political factors pertaining to Hong Kong SAR, that Hong Kong SAR should be considered as an emerging market country for purposes of the Fund's eligible investments.

- **Geographic Focus Risk.** To the extent the Fund invests a substantial amount of its assets in one country, its performance may at times be worse than the performance of other mutual funds that invest more broadly.
- **Derivatives Risk.** Derivative transactions typically involve leverage and may be highly volatile. It is possible that a derivative transaction will result in a loss greater than the principal amount invested, and the Fund may not be able to close-out a derivative transaction at a favorable time or price. Use of derivatives other than for hedging purposes may be considered speculative, and when the Fund invests in a derivative instrument it could lose more than the principal amount invested.
- **Leverage Risk.** The use of leverage has the potential to increase returns to shareholders, but also involves additional risks. Leverage will increase the volatility of the Fund's investment portfolio and could result in larger losses than if it were not used.
- **Over-the-Counter Risk.** Securities traded in over-the-counter markets may trade in smaller volumes, and their prices may be more volatile, than securities principally traded on securities exchanges. Such securities may be less liquid than more widely traded securities. In addition, the prices of such securities may include an undisclosed dealer markup, which the Fund pays as part of the purchase price.
- **Liquidity Risk.** The Fund may find it difficult to sell or to close out certain investments at favorable prices or times. Illiquid securities may be highly volatile and difficult to value. If the Fund invests in an investment company that is not part of the Schroder group of funds, it will not be permitted to require that investment company to redeem more than one percent of the investment company's outstanding shares in any 30-day period; as a result, the Fund may be required to consider shares of such

an investment company to be illiquid to the extent they may not be immediately redeemable by the Fund.

- **Real Estate Risk.** An investment in a REIT may be subject to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. In addition, an investment in a REIT is subject to additional risks, such as poor performance by the manager of the REIT, adverse changes to the tax laws or failure by the REIT to qualify for tax-free pass-through of income under the Internal Revenue Code of 1986, as amended (the “Code”), and to the effect of general declines in stock prices. In addition, some REITs have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Also, the organizational documents of a REIT may contain provisions that make changes in control of the REIT difficult and time-consuming. As a shareholder in a REIT the Fund, and indirectly the Fund’s shareholders, would bear its ratable share of the REIT’s expenses and would at the same time continue to pay its own fees and expenses.
- **Infrastructure Investment Risk.** The Fund’s infrastructure-related investments expose the Fund to potential adverse economic, regulatory, political and other changes affecting such investments. Issuers in infrastructure-related businesses are subject to a variety of factors that may adversely affect their business or operations including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies, and other factors.
- **Commodity Risk.** The Fund’s investments in commodity-linked derivative instruments may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments. The Fund’s ability to invest in commodity-related investments may be limited by tax considerations.
- **Investments in Pooled Vehicles Risk.** The Fund may invest in shares of other open-end or closed-end investment companies (including single country funds), ETFs, and investment pools not registered under the 1940 Act. Investing in another investment company exposes the Fund to all the risks of that investment company, and, in general, subjects the Fund to a pro rata portion of the other investment company’s fees and expenses. Unregistered investment pools are not subject to the same level of regulation as are registered investment companies, including investor protection laws, rules, and regulations.
- **Allocation Risk.** The Fund’s investment performance may depend, at least in part, on how its assets are allocated and reallocated between the underlying funds in which it invests according to the Fund’s asset allocation targets and ranges. The Fund’s adviser and sub-adviser attempt to identify allocations that will provide

consistent, quality performance for the Fund, but there is no guarantee that such allocation techniques will produce the desired results.

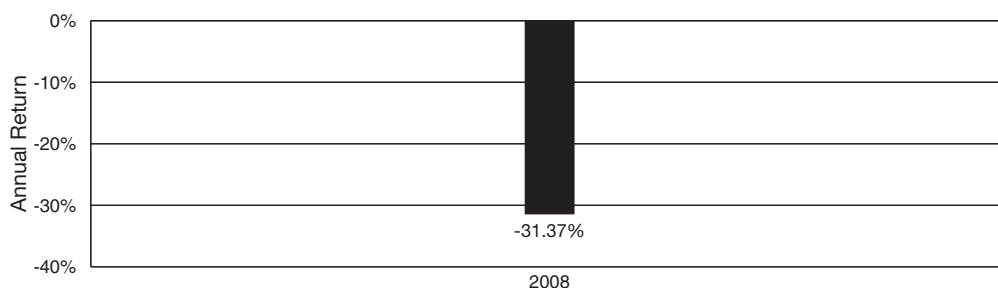
- **Underlying Fund Risk.** The value of your investment in the Fund is related to the investment performance of the underlying funds in which it invests. Therefore, the principal risks of investing in the Fund are closely related to the principal risks associated with these funds and their investments. Because the Fund's allocation among different underlying funds and investments directly in securities will vary, your investment may be subject to any and all of these risks at different times and to different degrees.
- **Affiliated Fund Risk.** In managing the Fund, the adviser or sub-adviser will have authority to select and substitute underlying funds managed by them or their affiliates. The Fund's investment adviser or its sub-adviser may be subject to a potential conflict of interest in determining whether to invest in an underlying fund managed by the adviser or sub-adviser or an affiliate, or in a pool managed by an unaffiliated manager, and may have an economic or other incentive to select the pool managed by it or its affiliate over another pool that may be more appropriate for the Fund. The adviser or sub-adviser may be subject to potential conflicts of interest in selecting underlying funds because the fees paid to them by some underlying Schroders funds may be higher than the fees paid to them by the Fund or by other funds available for investment by the Fund. The Fund's adviser or sub-adviser or an affiliate may receive fees from underlying funds which they advise or sub-advise, in addition to fees paid to the adviser by the Fund, and therefore may have an incentive to invest the Fund's assets in such funds. Similarly, the adviser and sub-adviser have a financial incentive to invest the Fund's assets in affiliated underlying funds with higher fees than other affiliated and unaffiliated funds available for investment by the Fund. The Fund's adviser has implemented a fee waiver and expense limitation the amount of which is based, in part, on the likely revenues to the adviser and its affiliates from investment in affiliated underlying funds. In addition, the adviser will report to the Fund's Trustees periodically as to the amount of the Fund's assets invested in affiliated underlying funds and the bases for the adviser's or sub-adviser's selection of those investments. In addition, the adviser or sub-adviser may have an incentive to take into account the effect on an underlying fund in which the Fund may invest in determining whether, and under what circumstances, to purchase or sell interests in the pool; the interests of the underlying fund or pool may or may not be consistent with those of the Fund.
- **Depository Receipts Risk.** The Fund may invest in sponsored or unsponsored Depository Receipts. Investments in non-U.S. issuers through Depository Receipts and similar instruments may involve certain risks not applicable to investing in U.S. issuers, including changes in currency rates, application of local tax laws, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations. Costs may be incurred in connection with conversions between various currencies.
- **Management Risk.** Because the Fund is actively managed, its investment return depends on the ability of its adviser or sub-adviser to manage its portfolio successfully. The Fund's adviser or sub-adviser and the investment team will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. The Fund's ability to achieve its investment objective depends upon the adviser's or sub-adviser's ability to select the best mix of underlying funds and securities and strategic

asset allocation. There is a risk that the Fund's adviser or sub-adviser may be incorrect in its analysis of economic trends, countries, industries, companies, and the relative attractiveness of asset classes or other matters.

- **Private Placements and Restricted Securities.** The Fund may invest in securities that are purchased in private placements. Because there may be relatively few potential purchasers for such investments, especially under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer, the Fund could find it more difficult to sell such securities when the Fund's adviser or sub-adviser believes it advisable to do so or may be able to sell such securities only at prices lower than if such securities were more widely held. At times, it may also be more difficult to determine the fair value of such securities for purposes of computing the Fund's net asset value. The Fund's sale of such investments may also be restricted under securities laws. In the event that the Trustees, or persons designated by the Trustees, determined that a security is "readily marketable" pursuant to these procedures, and a Fund is not able to sell such security at the price that such persons anticipate, the Fund's net asset value will decrease.
- **Loan Participations.** The Fund may invest in "loan participations." The Fund's ability to receive payments of principal and interest and other amounts in connection with loan participations held by it will depend primarily on the financial condition of the borrower. The failure by the Fund to receive scheduled interest or principal payments on a loan participation would adversely affect the income of the Fund and would likely reduce the value of its assets, which would be reflected in a reduction in the Fund's net asset value. In addition, loan participations generally are subject to restrictions on transfer, and only limited opportunities may exist to sell such participations in secondary markets. As a result, the Fund may be unable to sell loan participations at a time when it may otherwise be desirable to do so or may be able to sell them only at a price that is less than their fair market value.
- **Repurchase Agreements.** The Fund may enter into repurchase agreements. The Fund's investment return on such assets will depend on the counterparties' willingness and ability to perform their obligations under the repurchase agreements.
- **Frequent Trading/Portfolio Turnover Risk.** Frequent trading of the Fund's portfolio securities will result in relatively high transaction costs and may result in taxable capital gains. The portfolio turnover rate for the Fund's last fiscal year was 151%. The Fund and its shareholders will also share in the costs and tax effects of portfolio turnover in any underlying funds in which the Fund invests.

*Performance Information — R Shares.<sup>(+)</sup>*

Below is a bar chart that shows the investment return of the Fund's R Shares for the one full calendar year since the Fund commenced operations. The table following the bar chart shows how the Fund's annual return for the last year and average annual return for the life of the Fund compare to a broad-based securities market index. The bar chart and table provide some indication of the risks of investing in the Fund by comparing the Fund's performance to a broad measure of market performance.



During the period shown above (calendar year 2008), the highest quarterly return was -0.21% for the quarter ended June 30, 2008, and the lowest was -17.02% for the quarter ended December 31, 2008.

<b>Average Annual Total Returns (For the period ended December 31, 2008)</b>	<b>One Year</b>	<b>Life of Fund (Since December 20, 2007)</b>
Return Before Taxes	(31.37)%	(29.82)%
Return After Taxes on Distributions <sup>(1)</sup>	(32.53)%	(30.97)%
Return After Taxes on Distributions and Sale of Fund Shares <sup>(1)</sup>	(20.42)%	(25.99)%
Morgan Stanley Capital International World Index (reflects no deduction for fees, expenses or taxes) <sup>(2)</sup>	(40.71)%	(38.49)%
Consumer Price Index (reflects no deduction for fees, expenses or taxes) <sup>(2)</sup>	0.09%	0.07%

(1) After-tax returns are estimated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their shares in the Fund through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some cases, the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

(2) The Morgan Stanley Capital International World Index is an unmanaged market-capitalization index that is designed to measure global developed market equity performance. The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

(+) The current portfolio managers primarily responsible for making investment decisions for the Fund assumed this responsibility effective December 1, 2008. The performance results shown in the bar chart and table for periods prior to December 1, 2008 were achieved by the Fund under a different portfolio manager.

**Past performance (before and after taxes) is not necessarily an indication of future performance.** It is possible to lose money on an investment in the Fund.

*Changes in investment objective and strategies.* The Fund's investment objective and strategy and target allocations and, unless otherwise noted in this prospectus or in the SAI, other investment policies of the Fund are not fundamental policies and, as such, may be changed by the Trustees without a vote of, or notice to, the shareholders.

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## FEES AND EXPENSES

**This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.**

**Shareholder Fees** (paid directly from your investment):

	<b>R Shares</b>
<b>Maximum Sales Load Imposed on Purchases</b>	None
<b>Maximum Deferred Sales Load</b>	None
<b>Maximum Sales Load Imposed on Reinvested Dividends</b>	None
<b>Redemption Fee</b>	2.00% <sup>(1)</sup>
<b>Exchange Fee</b>	None

(1) Shares of the Fund held for two months or less are subject to a redemption fee of 2.00%, subject to certain exceptions described herein. See “How to Sell Shares — Redemption Fee.”

**Annual Fund Operating Expenses** (expenses that are deducted from Fund assets):

	<b>R Shares</b>
Management Fees <sup>(1)</sup>	0.75%
Distribution (12b-1) Fees	0.50%
Other Expenses	2.46%
Acquired Fund Fees and Expenses <sup>(2)</sup>	0.66%
Total Annual Fund Operating Expenses	4.37%
Less: Fee Waiver and Expense Limitation <sup>(3)</sup>	(1.96)%
Net Expenses <sup>(3)(4)</sup>	2.41%

(1) Management Fees for the Fund include all fees payable to the Fund’s adviser and its affiliates for investment advisory and fund administration services. The Fund also pays sub-administrative fees directly to SEI Investments Global Fund Services, and those fees are included under “Other Expenses.” The Fund’s adviser has contractually agreed to waive a portion of its management fee through February 28, 2010 (see footnote (3) below).

(2) The “Acquired Fund Fees and Expenses” are the expenses indirectly incurred by the Fund as a result of its investments in one or more underlying funds, including ETFs and money market funds. Because these costs are indirect, the total operating expenses in this fee table will not correlate to the expense ratio in the Fund’s financial statements, since financial statements only include direct costs of the Fund and not the indirect costs of investing in the underlying funds. Excluding these indirect cost of the underlying funds, Total Annual Fund Operating Expenses for R Shares would be 3.71%, and net expenses after waivers and expense reimbursements would be 1.75%. Acquired Fund Fees and Expenses are not subject to the expense limitation of the Fund.

(3) The “Net Expenses” shown for the Fund reflect the effect of the contractually imposed fee waiver and expense limitations, in effect until February 28, 2010, on the Total Annual Fund Operating Expenses of the Fund. The Fund’s adviser has contractually agreed until that date (i) to reduce its management fee compensation by 0.21% (0.15% prior to February 28, 2009) and (ii) if necessary, in order to limit the expenses of the Fund’s shares, to pay or reimburse the Fund for expenses to the extent that the Total Annual Fund Operating Expenses of the Fund (other than Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses, which may include typically non-recurring expenses such as, for example, organizational expenses, litigation expenses, and shareholder meeting expenses) allocable to R Shares of the Fund exceed the annual rate (based on the average daily net assets attributable to each of the Fund’s share classes taken separately) of 1.75%. The fee waiver and expense limitation for the Fund may only be terminated during their term by the Board of Trustees.

Net Expenses for the current fiscal year may be higher than the Net Expenses shown in the table above to the extent the Fund incurs interest, taxes, or extraordinary expenses. In the last fiscal year, any such expenses incurred by the Fund were paid by its adviser, and the Fund does not expect to incur such expenses in the next fiscal year.

(4) The “Net Expenses” shown in the table include any Acquired Fund Fees and Expenses incurred indirectly by the Fund as a result of its investments in one or more funds, including ETFs and money market funds, as applicable. The Net Expenses shown may be higher than the Ratio of Expenses to Average Net Assets included in the “Financial Highlights” section, which reflects the operating expenses of the Fund and does not include Acquired Fund Fees and Expenses. If only the operating expenses of the Fund were included in Net Expenses, and not the Acquired Fund Fees and Expenses, the Net Expenses would be 1.75% for R Shares.

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## EXAMPLE

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in R Shares of the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment earns a 5% return each year and that the Fund's operating expenses for each year are the same as the Fund's Total Annual Fund Operating Expenses shown above (except that, in the first year, the operating expenses are the same as the Fund's Net Expenses shown above). Your actual costs may be higher or lower. Based on these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
R Shares	\$244	\$1,146	\$2,060	\$4,395

Because of Rule 12b-1 fees paid by the Fund on R Shares, long-term shareholders may pay more than the economic equivalent of the maximum sales load permitted under the applicable broker-dealer sales rules.

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## PRINCIPAL RISKS OF INVESTING IN THE FUND

The Fund may not achieve its objective. The following provides more detail about certain of the Fund's principal risks and the circumstances which could adversely affect the value of the Fund's shares or its investment return. Unless a strategy or policy described below is specifically prohibited by the Fund's investment restrictions as set forth in this Prospectus or under "Investment Restrictions" in the Fund's SAI, or by applicable law, the Fund may engage in each of the practices described below.

- **Equity Securities Risk.** The principal risks of investing in the Fund include the risk that the value of the equity securities in the portfolio will fall, or will not appreciate as anticipated by the Fund's adviser or sub-adviser, due to factors that adversely affect equities markets generally or particular companies in the portfolio. Common stocks represent an equity or ownership interest in an issuer and are subject to issuer and market risks that may cause their prices to fluctuate over time. Preferred stocks represent an equity or ownership interest in an issuer that typically pays dividends at a specified rate and that has priority over common stock in the payment of dividends and in liquidation. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Different types of investments tend to shift into and out of favor with investors depending on changes in market and economic conditions.
- **Convertible Securities Risk.** The Fund may invest in convertible securities, which are corporate debt securities that may be converted at either a stated price or stated rate into underlying shares of preferred or common stock, and so subject to the risks of investments in both debt securities and equity securities. The Fund may also invest in preferred stocks that are convertible into common stocks, and so subject to the risks of investments in both preferred and common stocks. The market value of convertible securities tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. In addition, because of the conversion feature, the market value of convertible securities tends to vary with fluctuations in

the market value of the underlying preferred and common stocks and, therefore, also will react to variations in the general market for equity securities.

- **Warrants Risk.** The Fund may invest in warrants to purchase equity securities. The price, performance and liquidity of such warrants are typically linked to the underlying stock.
- **Foreign Investment Risk.** The Fund may invest in foreign securities. Investments in foreign securities entail certain risks. There may be a possibility of nationalization or expropriation of assets, confiscatory taxation, political or financial instability, and diplomatic developments that could affect the value of the Fund's investments in certain foreign countries. In addition, there may be less information publicly available about a foreign issuer than about a U.S. issuer, and foreign issuers are not generally subject to accounting, auditing, and financial reporting standards and practices comparable to those in the United States. The securities of some foreign issuers are less liquid and at times more volatile than securities of comparable U.S. issuers. Foreign brokerage commissions and other fees are also generally higher than in the United States. Foreign settlement procedures and trade regulations may involve certain risks (such as delay in payment or delivery of securities or in the recovery of the Fund's assets held abroad) and expenses not present in the settlement of domestic investments.

In addition, legal remedies available to investors in certain foreign countries may be more limited than those available to investors in the United States or in other foreign countries. The willingness and ability of foreign governmental entities to pay principal and interest on government securities depends on various economic factors, including the issuer's balance of payments, overall debt level, and cash-flow considerations related to the availability of tax or other revenues to satisfy the issuer's obligations. If a foreign governmental entity defaults on its obligations on the securities, the Fund may have limited recourse available to it. The laws of some foreign countries may limit the Fund's ability to invest in securities of certain issuers located in those countries.

Special tax considerations apply to the Fund's investments in foreign securities. In determining whether to invest the Fund's assets in debt securities of foreign issuers, the Fund's adviser or sub-adviser considers the likely impact of foreign taxes on the net yield available to the Fund and its shareholders. Income and/or gains received by the Fund from sources within foreign countries may be reduced by withholding and other taxes imposed by such countries. Tax conventions between certain countries and the United States may reduce or eliminate such taxes. Any such taxes paid by the Fund will reduce its income available for distribution to shareholders. Certain of these risks may also apply to some extent to investments in U.S. companies that are traded in foreign markets, or investments in U.S. companies that have significant foreign operations.

In addition, the Fund's investments in foreign securities or foreign currencies may increase or accelerate the Fund's recognition of ordinary income and may affect the timing or character of the Fund's distributions.

- **Foreign Currencies Risk.** Since foreign securities normally are denominated and traded in foreign currencies, the value of the Fund's assets may be affected favorably or unfavorably by currency exchange rates, currency exchange control regulations, foreign withholding taxes, and restrictions or prohibitions on the repatriation of foreign

currencies. The Fund may, but is not required to, buy or sell foreign securities and options and futures contracts on foreign securities for hedging purposes in connection with its foreign investments.

If the Fund purchases securities denominated in foreign currencies, a change in the value of any such currency against the U.S. dollar will result in a change in the U.S. dollar value of the Fund's assets and the Fund's income available for distribution. Officials in foreign countries may from time to time take actions in respect of their currencies which could significantly affect the value of the Fund's assets denominated in those currencies or the liquidity of such investments. For example, a foreign government may unilaterally devalue its currency against other currencies, which would typically have the effect of reducing the U.S. dollar value of investments denominated in that currency. A foreign government may also limit the convertibility or repatriation of its currency or assets denominated in its currency, which would adversely affect the U.S. dollar value and liquidity of investments denominated in that currency. In addition, although at times most of the Fund's income may be received or realized in these currencies, the Fund will be required to compute and distribute its income in U.S. dollars. As a result, if the exchange rate for any such currency declines after the Fund's income has been earned and translated into U.S. dollars but before payment to shareholders, the Fund could be required to liquidate portfolio securities to make such distributions. Similarly, if the Fund incurs an expense in U.S. dollars and the exchange rate declines before the expense is paid, the Fund would have to convert a greater amount of U.S. dollars to pay for the expense at that time than it would have had to convert at the time the Fund incurred the expense. The Fund may, but is not required to, buy or sell foreign currencies and options and futures contracts on foreign currencies for hedging purposes in connection with its foreign investments.

- **Emerging Markets Securities Risk.** Investing in emerging market securities poses risks different from, and/or greater than, risks of investing in domestic securities or in the securities of foreign, developed countries. These risks include: smaller market capitalization of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization or the creation of government monopolies. The currencies of emerging market countries may experience significant declines against the U.S. dollar, and devaluation may occur subsequent to investments in these currencies by the Fund. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries. Although many of the emerging market securities in which the Fund may invest are traded on securities exchanges, they may trade in limited volume, and the exchanges may not provide all of the conveniences or protections provided by securities exchanges in more developed markets.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organized and small; differences in auditing and financial reporting standards, which may result in unavailability of

material information about issuers; and less developed legal systems. In addition, emerging securities markets may have different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions. Settlement problems may cause the Fund to miss attractive investment opportunities, hold a portion of its assets in cash pending investment, or be delayed in disposing of a portfolio security. Such a delay could result in possible liability to a purchaser of the security.

- **Geographic Focus Risk.** To the extent that the Fund invests a substantial amount of its assets in one country or group of countries, its performance may at times be worse than the performance of other mutual funds that invest more broadly.
- **Equity Markets Risk.** Although stocks may outperform other asset classes over the long term, their prices tend to fluctuate more dramatically over the shorter term. These movements may result from factors affecting individual companies, or from broader influences like changes in interest rates, market conditions, investor confidence or announcements of economic, political or financial information. While potentially offering greater opportunities for capital growth than larger, more established companies, the stocks of smaller companies may be particularly volatile, especially during periods of economic uncertainty. These companies may face less certain growth prospects, or depend heavily on a limited line of products and services or the efforts of a small number of key management personnel.
- **Small and Mid Cap Companies Risk.** The Fund may invest in companies that are smaller and less well-known than larger, more widely held companies. Micro, small and mid cap companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may trade less frequently and in lesser volume than more widely held securities and their values may fluctuate more sharply than other securities. They may also trade in the over-the-counter market or on a regional exchange, or may otherwise have limited liquidity. These securities may therefore be more vulnerable to adverse developments than securities of larger companies, and the Fund may have difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in their securities as compared to larger companies, and it may take longer for the prices of the securities to reflect the full value of their issuers' earnings potential or assets.
- **Initial Public Offerings (IPOs) Risk.** The Fund may also purchase securities of companies in IPOs, which frequently are smaller companies. Such securities have no trading history, and information about these companies may be available for very limited periods. The prices of securities sold in IPOs also can be highly volatile. Under certain market conditions, very few companies, if any, may determine to make IPOs of their securities. At any particular time or from time to time the Fund may not be able to invest in securities issued in IPOs or invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the Fund. The investment performance of the Fund during periods when they are unable to invest significantly or at all in IPOs may be lower than during periods when the Fund is able to do so.

- **Private Placements and Restricted Securities.** The Fund may invest in securities that are purchased in private placements. Because there may be relatively few potential purchasers for such investments, especially under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer, the Fund could find it more difficult to sell such securities when the Fund’s adviser or sub-adviser believes it advisable to do so or may be able to sell such securities only at prices lower than if such securities were more widely held. At times, it may also be more difficult to determine the fair value of such securities for purposes of computing the Fund’s net asset value. The Fund’s sale of such investments may also be restricted under securities laws. In the event that the Trustees, or persons designated by the Trustees, determine that a security is “readily marketable” pursuant to these procedures, and the Fund is not able to sell such security at the price that such persons anticipate, the Fund’s net asset value will decrease.
- **Derivatives Risk.** Derivatives are financial contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. The Fund’s use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, and credit risk, and the risk that a derivative transaction may not have the effect the Fund’s adviser or sub-adviser anticipated. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate, or index. Derivative transactions typically involve leverage and may be highly volatile. Use of derivatives other than for hedging purposes may be considered speculative, and when the Fund invests in a derivative instrument it could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial. Many derivative transactions are entered into “over-the-counter” (not on an exchange or contract market); as a result, the value of such a derivative transaction will depend on the ability and willingness of the Fund’s counterparty to perform its obligations under the transaction. The Fund may be required to segregate certain of its assets on the books of its custodian in respect of derivatives transactions entered into by the Fund. See the Fund’s SAI for more information. Special tax considerations apply to the Fund’s investments in derivatives.
- **Leverage Risk.** The use of leverage has the potential to increase returns to shareholders, but also involves additional risks. Leverage will increase the volatility of the Fund’s investment portfolio and could result in larger losses than if it were not used. If there is a net decrease (or increase) in the value of the Fund’s investment portfolio, any leverage will decrease (or increase) the net asset value per share to a greater extent than if the Fund were not leveraged. The use of leverage is considered to be a speculative investment practice and may result in losses to the Fund. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.
- **Over-the-Counter Risk.** Securities traded in over-the-counter markets may trade in smaller volumes, and their prices may be more volatile, than securities principally traded on securities exchanges. Such securities may be less liquid than more widely

traded securities. In addition, the prices of such securities may include an undisclosed dealer markup, which the Fund pays as part of the purchase price.

- **Liquidity Risk.** Liquidity risk exists when particular investments are difficult to purchase or sell. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives, or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.
- **Real Estate Risk.** The Fund may invest in REITs that subject it to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. In addition, an investment in a REIT is subject to additional risks, such as poor performance by the manager of the REIT, adverse changes to the tax laws or failure by the REIT to qualify for tax-free pass-through of income under the Code. In addition, some REITs have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Also, the organizational documents of a REIT may contain provisions that make changes in control of the REIT difficult and time-consuming. As a shareholder in a REIT, the Fund, and indirectly the Fund's shareholders, would bear its ratable share of the REIT's expenses and would at the same time continue to pay its own fees and expenses.
- **Mortgage and Asset-Backed Securities Risk.** Mortgage-backed securities, including collateralized mortgage obligations and certain stripped mortgage-backed securities represent a participation in, or are secured by, mortgage loans. Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property and receivables from credit card agreements.

Traditional debt investments typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on mortgage-backed and many asset-backed investments typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or foreclosure. The Fund may have to invest the proceeds from prepaid investments in other investments with less attractive terms and yields. As a result, these securities may have less potential for capital appreciation during periods of declining interest rates than other securities of comparable maturities, although they may have a similar risk of decline in market value during periods of rising interest rates. Because the prepayment rate generally declines as interest rates rise, an increase in interest rates will likely increase the duration, and thus the volatility, of mortgage-backed and asset-backed securities. In addition to interest rate risk (as described below under "Interest Rate Risk"), investments in mortgage-backed securities composed of subprime mortgages may be subject to a higher degree of liquidity risk, valuation and credit risk (as described above under "Liquidity Risk" and below under "Credit Risk" and "Valuation Risk"). Duration is a measure of the expected life of a fixed income security that is used to determine the sensitivity of the security's price to changes in interest rates. Unlike the maturity of a fixed income security, which measures only the

time until final payment is due, duration takes into account the time until all payments of interest and principal on a security are expected to be made, including how these payments are affected by prepayments and by changes in interest rates.

The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Some mortgage-backed and asset-backed investments receive only the interest portion (“IOs”) or the principal portion (“POs”) of payments on the underlying assets. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying assets. IOs tend to decrease in value if interest rates decline and rates of repayment (including prepayment) on the underlying mortgages or assets increase; it is possible that the Fund may lose the entire amount of its investment in an IO due to a decrease in interest rates. Conversely, POs tend to decrease in value if interest rates rise and rates of repayment decrease. Moreover, the market for IOs and POs may be volatile and limited, which may make them difficult for the Fund to buy or sell.

The Fund may gain investment exposure to mortgage-backed and asset-backed investments by entering into agreements with financial institutions to buy the investments at a fixed price at a future date. The Fund may or may not take delivery of the investments at the termination date of such an agreement, but will nonetheless be exposed to changes in value of the underlying investments during the term of the agreement.

If the Fund purchases mortgage-backed and asset-backed securities that are ‘subordinated’ to other interests in the same mortgage pool, the Fund as a holder of those securities may only receive payments after the pool’s obligations to other investors have been satisfied. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool’s ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless; the risk of such defaults is generally higher in the case of mortgage pools that include so-called ‘subprime’ mortgages. An unexpectedly high or low rate of prepayments on a pool’s underlying mortgages may have a similar effect on subordinated securities. A mortgage pool may issue securities subject to various levels of subordination; the risk of non-payment affects securities at each level, although the risk is greater in the case of more highly subordinated securities.

- **Infrastructure Investment Risk.** The Fund’s infrastructure-related investments expose the Fund to potential adverse economic, regulatory, political and other changes affecting such investments. Issuers of securities in infrastructure-related businesses are subject to a variety of factors that may adversely affect their business or operations including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, service interruption due to environmental, operational, or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards.

- **Commodity Risk.** The Fund’s investments in commodity-linked derivative instruments may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments. In order to qualify for the special tax treatment available to regulated investment companies under the Code, the Fund must derive at least 90% of its gross income each taxable year from certain specified types of investments. It is currently unclear which types of commodities-linked derivatives fall within these specified investment types. As a result, if the Fund’s income from investments in commodities-linked derivatives were to exceed a certain threshold, the Fund could fail to qualify for the special tax treatment available to regulated investment companies under the Code.
- **Interest Rate Risk.** The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with longer durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, the Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.
- **Credit Risk.** The ability, or perceived ability, of the issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of an issuer to meet its obligations will decline substantially during the period when the Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer’s securities.

If a security has been rated by more than one nationally recognized statistical rating organization the Fund’s adviser or sub-adviser will consider the highest rating for the purposes of determining whether the security is of “investment grade.” The Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Fund’s adviser or sub-adviser will consider whether the security continues to be an appropriate investment for the Fund. The Fund considers whether a security is of “investment grade” only at the time of purchase. The Fund may invest in securities which will not be rated by a nationally recognized statistical rating organization (such as Moody’s, S&P, or Fitch), and their credit quality will be determined by the adviser or sub-adviser.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer’s historical financial condition and the rating agencies’ investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer’s current financial condition, and does not reflect an assessment of an investment’s volatility or liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment

grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

- **Inflation/Deflation Risk.** Inflation risk is the risk that the Fund’s assets or income from the Fund’s investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund’s portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time — the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund’s portfolio.
- **Extension Risk.** During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below-market interest rate, increase the security’s duration, and reduce the value of the security.
- **U.S. Government Securities Risk.** U.S. Government securities include a variety of securities that differ in their interest rates, maturities, and dates of issue. While securities issued or guaranteed by some agencies or instrumentalities of the U.S. Government (such as the Government National Mortgage Association) are supported by the full faith and credit of the United States, securities issued or guaranteed by certain other agencies or instrumentalities of the U.S. Government (such as Federal Home Loan Banks) are supported by the right of the issuer to borrow from the U.S. Government, and securities issued or guaranteed by certain other agencies and instrumentalities of the U.S. Government (such as Fannie Mae and Freddie Mac) are supported only by the credit of the issuer itself. Although Fannie Mae and Freddie Mac are now under conservatorship by the Federal Housing Finance Agency, and are benefiting from a liquidity backstop of the U.S. Treasury, no assurance can be given that these initiatives will be successful. Investments in these securities are also subject to interest rate risk (as described above under “Interest Rate Risk”), prepayment risk (as described above under “Mortgage and Asset-Backed Securities Risk”), extension risk (as described above under “Extension Risk”), and the risk that the value of the securities will fluctuate in response to political, market, or economic developments.
- **High-Yield/Junk Bonds Risk.** The Fund may invest in securities of any credit rating, including securities of investment grade and higher-yielding, lower-rated securities, sometimes known as “junk” bonds. Securities will be considered to be of investment grade if they are rated BBB or above by a nationally recognized statistical rating organization (for example, Moody’s, S&P, or Fitch), or if they are unrated and the Fund’s adviser or sub-adviser considers them to be of comparable quality. If more than one nationally recognized statistical rating organization has rated a security, the highest rating will control for this purpose. The Fund will not normally invest in securities rated below CC- or the equivalent (or determined by the Fund’s adviser or sub-adviser to be of comparable quality). The lower ratings of certain securities held by the Fund reflect a greater possibility that adverse changes in the financial condition of the issuer or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. The inability (or perceived inability) of issuers to make timely payment of interest and principal would likely make the values of securities held by the Fund more volatile and could limit the Fund’s ability to sell its securities at prices

approximating the values the Fund has placed on such securities. In the absence of a liquid trading market for securities held by them, the Fund at times may be unable to establish the fair value of such securities. To the extent the Fund invests in securities in the lower rating categories, the achievement of the Fund's goals is more dependent on the Fund adviser's or sub-adviser's investment analysis than would be the case if the Fund was investing in securities in the higher rating categories.

- **Investments in Pooled Vehicles Risk.** The Fund may invest in other investment companies or pooled vehicles, including closed-end funds, trusts, and ETFs, that are advised by the Fund's adviser or sub-adviser or its affiliates or by unaffiliated parties, to the extent permitted by applicable law. When investing in a closed-end investment company, the Fund may pay a premium above such investment company's net asset value per share and when the shares are sold, the price received by the Fund may be at a discount to net asset value. As a shareholder in an investment company, the Fund, and indirectly that Fund's shareholders, would bear its ratable share of the investment company's expenses, including advisory and administrative fees, and would at the same time continue to pay its own fees and expenses. Where an investment company or pooled investment vehicle offers multiple classes of shares or interests, the Fund will seek to invest in the class with the lowest expenses to the Fund, although there is no guarantee that it will be able to do so. ETFs issue redeemable securities, but because these securities may only be redeemed in kind in significant amounts investors generally buy and sell shares in transactions on securities exchanges. Investments in other investment companies may be subject to investment limitations, such as redemption fees; under certain circumstances, such investment companies that are sponsored by Schrodgers or its affiliates will waive such a redemption fee. See "How to Sell Fund Shares — Redemption Fee" for more information.
- **Allocation Risk.** The Fund's investment performance may depend, at least in part, on how its assets are allocated and reallocated among the underlying funds in which it invests according to the Fund's asset allocation targets and ranges. The Fund's adviser and sub-adviser attempt to identify allocations that will provide consistent, quality performance for the Fund, but there is no guarantee that such allocation techniques will produce the desired results. It is possible that the Fund's adviser or sub-adviser will focus on an underlying fund that performs poorly or underperforms other underlying funds under various market conditions. You could lose money on your investment in the Fund as a result of these allocation decisions. Although the Fund will attempt to invest in a number of different underlying funds, to the extent that the Fund invests a significant portion of its assets in a single underlying fund, it will be particularly sensitive to the risks associate with that fund and any investments in which that fund concentrates.
- **Underlying Fund Risk.** The value of your investment in the Fund is related to the investment performance of the underlying funds in which it invests. Therefore, the principal risks of investing in the Fund are closely related to the principal risks associated with these funds and their investments. Because the Fund's allocation among different underlying funds and investments directly in securities will vary, your investment may be subject to any and all of these risks at different times and to different degrees. There is no guarantee that the underlying funds will achieve their investment objectives, and the underlying funds' performance may be lower than the performance of the asset class which they were selected to represent. The underlying

funds may change their investment objective or policies without the approval of the Fund. If an underlying fund were to change its investment objective or policies, the Fund may be forced to withdraw its investment from the underlying fund at a disadvantageous time. To the extent that the Fund invests a significant portion of its assets in an underlying fund, it will be particularly sensitive to the risks associated with that underlying fund. Underlying funds that are “non-diversified” because they may invest a significant portion of their assets in a relatively small number of issuers may have more risk because changes in the value of a single security or the impact of a single economic, political or regulatory occurrence may have a greater adverse impact on the underlying fund’s net asset value.

- **Affiliated Fund Risk.** In managing the Fund, the Fund’s adviser or sub-adviser will have authority to select and substitute underlying funds. The Fund’s investment adviser or its sub-adviser may be subject to a potential conflict of interest in determining whether to invest in an underlying fund managed by the adviser or sub-adviser or an affiliate, or in a pool managed by an unaffiliated manager, and may have an economic or other incentive to select the pool managed by it or its affiliate over another pool that may be more appropriate for the Fund. The adviser or sub-adviser may be subject to potential conflicts of interest in selecting underlying funds because the fees paid to them by some underlying Schroders funds may be higher than the fees paid to them by the Fund or by other funds available for investment by the Fund. The Fund’s adviser or sub-adviser or an affiliate may receive fees from underlying funds which they advise or sub-advise, in addition to fees paid to the adviser by the Fund, and therefore may have an incentive to invest the Fund’s assets in such funds. Similarly, the adviser and sub-adviser have a financial incentive to invest the Fund’s assets in affiliated underlying funds with higher fees than other affiliated and unaffiliated funds available for investment by the Fund. The Fund’s adviser has implemented a fee waiver and expense limitation the amount of which is based, in part, on the likely revenues to the adviser and its affiliates from investments in affiliated underlying funds. In addition, the adviser will report to the Fund’s Trustees periodically as to the amount of the Fund’s assets invested in affiliated underlying funds and the bases for the adviser’s or sub-adviser’s selection of those investments. Furthermore, the adviser or sub-adviser may have an incentive to take into account the effect on an underlying fund in which the Fund may invest in determining whether, and under what circumstances, to purchase or sell interests in the pool; the interests of the underlying fund or pool may or may not be consistent with those of the Fund. However, the Fund’s adviser or sub-adviser is a fiduciary to the Fund and is obligated to act in its best interest when selecting underlying funds. In fulfilling their fiduciary duties, on an on-going basis, the adviser and sub-adviser will seek to assure that any conflicts are minimized.
- **Depositary Receipts Risk.** The Fund may invest in American Depositary Receipts (“ADRs”), as well as German Depositary Receipts (“GDRs”), European Depositary Receipts (“EDRs”) or other similar securities representing ownership of foreign securities. Depositary Receipts generally evidence an ownership interest in a corresponding foreign security on deposit with a financial institution. Investments in non-U.S. issuers through Depositary Receipts and similar instruments may involve certain risks not applicable to investing in U.S. issuers, including changes in currency rates, application of local tax laws, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations. Costs may be incurred in connection with conversions between various currencies.

The Fund may invest in both sponsored and unsponsored Depositary Receipts. Unsponsored Depositary Receipts are organized independently and without the cooperation of the issuer of the underlying securities. As a result, available information concerning the issuers may not be as current for unsponsored Depositary Receipts and the prices of unsponsored Depositary Receipts may be more volatile than if such instruments were sponsored by the issuer.

- **Management Risk.** Because the Fund is actively managed, the Fund’s investment return depends on the ability of its adviser or sub-adviser to manage its portfolio successfully. The Fund’s adviser or sub-adviser and its investment team will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. The Fund’s ability to achieve its investment objective depends upon the adviser’s or sub-adviser’s ability to select the best mix of underlying funds and securities and strategic asset allocation. There is a risk that the Fund’s adviser or sub-adviser may be incorrect in its analysis of economic trends, countries, industries, companies, and the relative attractiveness of asset classes or other matters.
- **Frequent Trading/Portfolio Turnover Risk.** The length of time the Fund has held a particular security is not generally a consideration in investment decisions. The investment policies of the Fund may lead to frequent changes in the Fund’s investments, particularly in periods of volatile market movements, in order to take advantage of what the Fund’s adviser or sub-adviser believes to be temporary disparities in normal yield relationships between securities. A change in the securities held by the Fund is known as “portfolio turnover.” Portfolio turnover generally involves some expense to the Fund, including bid-asked spreads, dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities, and may result in the realization of taxable capital gains (including short-term gains, which are generally taxed to shareholders at ordinary income rates). The trading costs and tax effects associated with portfolio turnover may adversely affect the Fund’s performance. During periods when the Fund experiences high portfolio turnover rates, these effects are likely to be more pronounced. The portfolio turnover rate for the Fund’s last fiscal year was 151%. Consult your tax advisor regarding the effect the Fund’s portfolio turnover rate could have on your tax situation. The Fund and its shareholders will also share in the costs and tax effects of portfolio turnover in any underlying funds in which the Fund invests.
- **Valuation Risk.** Due to the nature of some of the Fund’s investments and the market environment, a portion of the Fund’s assets may be valued by Schrodgers at fair value pursuant to guidelines established by the Board of Trustees. The Fund’s assets may be valued using prices provided by a pricing service or, alternatively, a broker-dealer or other market intermediary (sometimes just one broker-dealer or other market intermediary) when other reliable pricing sources may not be available. To the extent the Fund relies on a pricing service to value some or all of its portfolio securities, it is possible that the pricing information provided by the service will not reflect the actual price the Fund would receive upon sale of a security. In addition, to the extent the Fund sells a security at a price lower than the price it has been using to value the security, its net asset value will be adversely affected. If the Fund has overvalued securities it holds, you may end up paying too much for the Fund’s shares when you buy into the Fund. If the Fund underestimates the price of its portfolio securities, you may not receive the full market value for your Fund shares when you sell. When the

Fund invests in other mutual funds or investment pools, it will generally value its investments in those funds or pools based on the valuations determined by the funds or pools, which may not be precisely the same as if the net assets of the funds or pools had been valued using the procedures employed by the Fund to value its own assets.

- **Loan Participations.** The Fund may invest in “loan participations.” Loan participations may be structured in different forms, including novations, assignments and participating interests. By purchasing a loan participation, the Fund acquires some or all of the interest of a bank or other lending institution in a loan to a particular borrower. The Fund’s ability to receive payments of principal and interest and other amounts in connection with loan participations held by it will depend primarily on the financial condition of the borrower. The failure by the Fund to receive scheduled interest or principal payments on a loan participation would adversely affect the income of the Fund and would likely reduce the value of its assets, which would be reflected in a reduction in the Fund’s net asset value. In addition, loan participations generally are subject to restrictions on transfer, and only limited opportunities may exist to sell such participations in secondary markets. As a result, the Fund may be unable to sell loan participations at a time when it may otherwise be desirable to do so or may be able to sell them only at a price that is less than their fair market value.
- **Repurchase Agreements.** The Fund may enter into repurchase agreements. Repurchase agreements may be viewed as loans made by the Fund which are collateralized by the securities subject to repurchase. The Fund’s investment return on such assets will depend on the counterparties’ willingness and ability to perform their obligations under the repurchase agreements. If the seller of a repurchase agreement defaults, the Fund could realize a loss on the sale of the underlying security to the extent that the proceeds of sale including accrued interest are less than the resale price provided in the agreement including interest.

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## NON-PRINCIPAL INVESTMENT STRATEGIES AND TECHNIQUES

In addition to the principal investment strategies described in the Principal Investment Strategies section above, the Fund may at times, but is not required to, use the strategies and techniques described below, which involve certain special risks. This Prospectus does not attempt to disclose all of the various investment techniques and types of securities that the Fund’s adviser or sub-adviser might use in managing the Fund. As in any mutual fund, investors must rely on the professional investment judgment and skill of the Fund’s adviser or sub-adviser.

- **Short Sales.** The Fund may sell a security short when the Fund’s adviser or sub-adviser anticipates that the price of the security will decline. The Fund may make a profit or incur a loss depending on whether the market price of the security decreases or increases between the date of the short sale and the date on which the Fund “closes” the short position. A short position will result in a loss if the market price of the security in question increases between the date when the Fund enters into the short position and the date when the Fund closes the short position. Such a loss could theoretically be unlimited in a case where such Fund is unable, for whatever reason, to close out its short position. In addition, short positions may result in a loss if a portfolio strategy of which the short position is a part is otherwise unsuccessful.

- **When-Issued, Delayed Delivery, and Forward Commitment Transactions.** The Fund may purchase securities on a when-issued, delayed delivery, or forward commitment basis. These transactions involve a commitment by the Fund to purchase a security for a predetermined price or yield, with payments and delivery taking place more than seven days in the future, or after a period longer than the customary settlement period for that type of security. These transactions may increase the overall investment exposure for the Fund and involve a risk of loss if the value of the securities declines prior to the settlement date.
- **Securities Loans.** The Fund may lend portfolio securities to broker-dealers. These transactions must be fully collateralized at all times, but involve some risk to the Fund if the other party should default on its obligation and the Fund is delayed or prevented from recovering the collateral. The Fund may enter into securities loans as a non-principal investment strategy, as a way to recognize additional current income on securities that it owns.
- **Temporary Defensive Strategies.** At times, the Fund’s adviser or sub-adviser may judge that conditions in the securities markets make pursuing the Fund’s investment strategy inconsistent with the best interests of its shareholders. At such times, the Fund’s adviser or sub-adviser may, but is not required to, take temporary “defensive” positions that are inconsistent with the Fund’s principal investment strategies in attempting to respond to adverse market, economic, political, or other conditions. In implementing these defensive strategies, the Fund may invest in investment grade fixed income securities, cash or money market instruments to any extent the Fund’s adviser or sub-adviser considers consistent with such defensive strategies. It is impossible to predict when, or for how long, the Fund would use these alternate strategies. One risk of taking such temporary defensive positions is that the Fund may not achieve its investment objective.
- **Securities in Default.** The Fund may invest a portion of its assets in debt securities that are in default. Securities that are in default are subject generally to the risks described above under “Principal Risks of Investing in the Fund — High Yield/Junk Bonds Risk,” and may offer little or no prospect for the payment of the full amount of unpaid principal and interest.
- **Other Investments.** The Fund may also invest in other types of securities and utilize a variety of investment techniques and strategies that are not described in this Prospectus. These securities and techniques may subject the Fund to additional risks. Please see the SAI for additional information about the securities and investment techniques described in this Prospectus and about additional techniques and strategies that may be used by the Fund.

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## MANAGEMENT OF THE FUND

The Trust is governed by a Board of Trustees. The Board of Trustees of the Trust has retained Schroders to serve as the Fund's adviser. Subject to the control of the applicable Board of Trustees, Schroders also manages the Fund's other affairs and business.

SIMNA Ltd., an affiliate of Schroders, serves as sub-adviser responsible for portfolio management of the Fund, including the allocation of the Fund's investments among asset classes.

Schroders (itself and its predecessors) has been an investment manager since 1962, and serves as investment adviser to the Fund and as investment adviser to other mutual funds and a broad range of institutional investors. Schroders plc, Schroders' ultimate parent, is a global asset management company with approximately \$158.4 billion under management as of December 31, 2008. Schroders and its affiliates have clients that are major financial institutions including banks and insurance companies, public and private pension funds, endowments and foundations, high net worth individuals, financial intermediaries and retail investors. Schroders plc has one of the largest networks of offices of any dedicated asset management company and over 350 portfolio managers and analysts covering the world's investment markets.

- **Management Fees.** For the fiscal year ended October 31, 2008, the Fund did not pay any aggregate management fees, net of applicable expense limitations and/or fee waivers, for investment management and administration services to Schroders (based on the Fund's average daily net assets). For the services to be rendered by SIMNA Ltd., Schroders (and not the Trust or the Fund) will pay to SIMNA Ltd. a monthly fee in an amount equal to fifty percent (50%) of all fees actually paid by the Fund to Schroders for such month, provided that SIMNA Ltd.'s fee for any period will be reduced such that SIMNA Ltd. will bear fifty percent (50%) of any voluntary fee waiver observed or expense reimbursement borne by Schroders with respect to the Fund for such period. Schroders has agreed to waive a portion of its management fees through February 28, 2010. Please see "Expense Limitations and Waivers" below for more information.
- **Expense Limitations and Waivers.** Schroders has contractually agreed until February 28, 2010 (i) to reduce its management fee compensation by 0.21% (0.15% prior to February 28, 2009) and (ii) if necessary, in order to limit the expenses of the Fund's shares, to pay or reimburse expenses to the extent that the Total Annual Fund Operating Expenses of the Fund (other than Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses, which may include typically non-recurring expenses such as, for example, organizational expenses, litigation expenses, and shareholder meeting expenses) allocable to R Shares of the Fund exceed the annual rate (based on the average daily net assets attributable to each of the Fund's share classes taken separately) of 1.75%.
- **Portfolio Management.** All investment decisions are made by a team of investment professionals at SIMNA Ltd. with the portfolio managers named below having primary responsibility for making investment decisions for the Fund. The portfolio managers' recent professional experience is also shown. The Fund's SAI provides additional information about the portfolio managers' compensation, other accounts managed by

the portfolio managers, and the portfolio managers' ownership of securities in the Fund.

NAME	TITLE	SINCE	RECENT PROFESSIONAL EXPERIENCE
Johanna Kyrklund, CFA	Portfolio Manager	2008	Ms. Kyrklund has been with the Schrodgers organization since 2007 and is responsible for investment on behalf of all US and UK multi-asset clients, is a member of the Global Asset Allocation Committee and co-fund manager of Schrodgers Diversified Growth Fund. Formerly, fund manager of Absolute Insight Tactical Asset Allocation Fund, a global macro absolute return fund, at Insight Investment (2005-2007), and Head of Asset Allocation in the UK and fund manager of the Deutsche tactical asset allocation fund, Deutsche Asset Management (1997-2005)
Michael Spinks, CFA	Portfolio Manager	2008	Mr. Spinks has been with the Schrodgers organization since 2004 and is responsible for investment on behalf of all US and UK multi-asset clients, is co-fund manager of Schrodgers Diversified Growth Fund and fund manager of the Diversified Completion Fund. Formerly, consultant to investment managers at Watson Wyatt (1996-2004)

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## HOW THE FUND'S SHARES ARE PRICED

The Fund calculates the net asset value per share of each of its classes of shares by dividing the total value of the assets attributable to that class, less its liabilities attributable to that class, by the number of shares of that class that are outstanding. The Fund values its shares as of the close of trading on the New York Stock Exchange (the "Exchange") (normally 4:00 p.m., Eastern Time) each day the Exchange is open. The Exchange is currently closed on weekend days and on New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Securities for which market quotations are readily available are valued at prices which, in the opinion of Schrodgers, most nearly represent the market values of such securities. Securities for which market values are not readily available, or for which the Fund's adviser or sub-adviser believes the market value is unreliable (including, for example, certain foreign securities, thinly-traded securities, IPOs, or when there is a particular event that may affect the value of a security), are valued by Schrodgers at their fair values pursuant to guidelines established by the Board of Trustees, and under the ultimate supervision of the Board of Trustees. A pricing service may recommend a fair value based generally on prices of comparable securities. Certain securities, such as various types of options (as described further below), are valued at fair value on the basis of

valuations furnished by broker-dealers or other market intermediaries. It is possible that fair value prices will be used by the Fund to a significant extent. The value determined for an investment using the Fund's fair value guidelines may differ from recent market prices for the investment. Reliable market quotations are not considered to be readily available for many bonds (excluding U.S. Treasury securities), certain preferred stocks, tax-exempt securities and certain foreign securities. Such securities are valued at fair value, generally on the basis of valuations furnished by pricing services, which determine valuations for normal, institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships between securities that are generally recognized by institutional traders. Below investment grade debt instruments ("high yield debt") and emerging markets debt instruments will generally be valued at prices furnished by pricing services based on the mean of bid and asked prices supplied by brokers or dealers, although, if the bid-asked spread exceeds five points, that security will typically be valued at the bid price. Short-term fixed income securities with remaining maturities of 60 days or less are valued at amortized cost, unless Schroders believes another valuation is more appropriate.

If the Fund's assets are invested in one or more open-end investment management companies that are registered under the 1940 Act, the Fund's net asset value is calculated based upon the value of the securities held directly by the Fund and the net asset values of the registered open-end investment management companies in which the Fund invests, and the prospectuses for these companies explain the circumstances under which these companies will use fair value pricing.

Unlisted securities for which market quotations are readily available generally are valued at the most recently reported sale prices on any day or, in the absence of a reported sale price, at mid-market prices. Options and futures contracts traded on a securities exchange or board of trade generally are valued at the last reported sales price or, in the absence of a sale, at the closing mid-market price on the principal exchange where they are traded. Options and futures not traded on a securities exchange or board of trade for which over-the-counter market quotations are readily available are generally valued at the most recently reported mid-market price. Credit default and interest rate swaps are valued at the estimate of the mid-market price, together with other supporting information. Options on indices or ETF shares are valued at the closing mid-market price. If such prices are not available, unlisted securities and derivatives are valued by Schroders pursuant to guidelines established by the Board of Trustees, and under the ultimate supervision of the Board of Trustees, at their fair values based on quotations from dealers, and if such quotations are not available, based on factors in the markets where such securities and derivatives trade, such as security and bond prices, interest rates, and currency exchange rates.

The Fund may invest in foreign securities that are primarily listed on foreign exchanges that trade on weekends and other days when the Fund does not price its shares. As a result, the value of the Fund's portfolio securities may change on days when the price of the Fund's shares is not calculated. The price of the Fund's shares will reflect any such changes when the price of the Fund's shares is next calculated, which is the next day the Exchange is open. The Fund may use fair value pricing more frequently for securities primarily traded in non-U.S. markets because, among other things, most foreign markets close well before the Fund values its securities. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim. The Fund's investments may be priced based on fair

values provided by a third-party fair valuation vendor, based on certain factors and methodologies applied by such vendor, in the event that there is movement in the U.S. market that exceeds a specific threshold established by the Schrodgers' Fair Value Committee pursuant to guidelines established by the Board of Trustees, and under the ultimate supervision of the Board of Trustees. The net asset value of each of the Fund's classes of shares may differ from each other due to differences in the expenses of each of the share classes.

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## TYPES OF SHARES AVAILABLE

R Shares are offered in this Prospectus. The Fund also offers A Shares, Advisor Shares and Investor Shares through different Prospectuses. (A Shares have an initial sales charge; Advisor Shares, Investor Shares and R Shares do not have initial sales charges. The operating expenses of R Shares differ from those of the other share classes.) R Shares are available to different eligible investors. Please contact Schroder Fund Advisors Inc. ("SFA") for a Prospectus containing information as to the fees and expenses of those classes and information as to eligibility to purchase shares of those classes.

*Expenses you pay directly.* R Shares do not have initial sales loads, but R Shares may have higher operating expenses than the other classes of the Fund. R Shares are subject to a 12b-1 fee of 0.50% (described below), which is greater than the 12b-1 fee associated with other classes of the Fund. This means you could pay more in 12b-1 fees over time than the sales loads you would have paid if you had purchased shares of other classes. Your broker or agent may also charge you a fee for helping you buy shares in the Fund.

*Expenses you pay through the Fund.* The costs of managing and administering the Fund are spread among shareholders of each class of shares. These operating costs cover such things as investment management, distribution (Rule 12b-1 fees) and shareholder servicing, custody, auditing, administrative and transfer agency expenses, and fees and expenses of Trustees.

To compensate SFA for the services it provides and for the expenses it bears in connection with the distribution of the Fund's A Shares, Advisor Shares and R Shares, the Fund makes payments to SFA from the assets attributable to those classes under a distribution plan (the "Distribution Plan") adopted pursuant to Rule 12b-1 under the 1940 Act. The Distribution Plan is a compensation plan that provides for payments at an annual rate (based on average daily net assets) of 0.50% of the Fund's assets attributable to R Shares. Because Rule 12b-1 fees are paid out of the assets of the Fund's R Shares on an ongoing basis, they will increase the cost of your investment and may cost you more than paying other types of sales loads. For example, R Shares have a higher Rule 12b-1 fee that may cost you more over time than paying the initial sales load for A Shares. All shareholders of A Shares, Advisor Shares and R Shares share in the expense of Rule 12b-1 fees paid by their class; however, because these shareholders hold their shares through varying arrangements they may not share equally in the benefits of the Distribution Plan. It is expected that all or a substantial portion of the payments made to SFA under the Distribution Plan applicable to the Fund's R shares will be paid to plan administrators and other intermediaries for distribution and/or shareholder services.

*Choosing a Share Class.* The Fund offers four share classes: A Shares, Advisor Shares, Investor Shares, or R Shares. Shares of different classes are available to different eligible investors. The Fund generally does not have the ability to enforce these limitations on access to the different share classes. It is the sole responsibility of each financial intermediary to ensure that it only makes a class of shares available to those categories of investors that qualify for access to such class. However, the Fund will not knowingly sell a class of shares to any investor not meeting one of the applicable criteria for that share class.

R Shares do not have initial sales loads, but R Shares may have higher ongoing operating expenses than other classes of the Fund.

*The chart below summarizes the features of R Shares.* This chart is only a general summary, and you should read the description of the Fund’s expenses in the “Fees and Expenses” section of this Prospectus.

	<u>Minimum Initial/Subsequent Purchase Amount</u>	<u>Maximum Purchase Amount</u>	<u>Maximum Initial Sales Charge (Load)</u>	<u>Maximum Contingent Deferred Sales Load</u>	<u>Annual 12b-1 Fee</u>
<b>R Shares</b>	\$1,000	None	None	None	0.50%

The Trust may, in its sole discretion, waive the minimum initial or subsequent investment amounts for share purchases by specific investors or types of investors, including, without limitation: employee benefit plans, employer-sponsored retirement plans, an employee of Schrodgers, any of its affiliates or a financial intermediary authorized to sell shares of the Fund, or such employee’s spouse or life partner, or children or step-children age 21 or younger; investment advisory clients of Schrodgers; and current or former Trustees. For share purchases made through certain fund networks or other financial intermediaries, the investment minimums associated with the policies and programs of the fund network or financial intermediary will apply.

The Fund may suspend the offering of Fund shares for any period of time. The Fund may change or waive any investment minimum from time to time.

R Shares are offered only through employee benefit plans or employer-sponsored retirement plans (except a SIMPLE IRA, SEP or SARSEP plan). An “employee benefit plan” or “employer-sponsored retirement plan” means any plan or arrangement, whether or not it is “qualified” under the Code, under which R Shares are purchased by a fiduciary or administrator for the account of participants who are employees of a single employer or of affiliated employers. These may include, for example, 401(k) plans, 403(b) plans, and health savings accounts. The Fund accounts must be registered in the name of the fiduciary or administrator purchasing the shares for the benefit of participants in the plan.

The procedures for buying, selling, exchanging and transferring other classes of shares and the special account features that may be available to purchasers of those other classes of shares do not apply to R Shares.

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## HOW TO BUY SHARES

Employee benefit plans and employer-sponsored retirement plans may purchase R Shares. Although R Shares may be purchased by a plan administrator directly from the Trust, specified benefit plans that purchase R Shares directly from SFA must hold their shares in an omnibus account at the benefit plan level. Plan participants may not directly purchase R Shares from SFA. For information on how to buy shares of the Fund through your employer's retirement plan, including any restrictions and charges that the plan may impose, or any tax implications with respect to such sale, please consult your employer or plan administrator.

Acceptance of your order may be delayed pending receipt of additional documentation, such as copies of corporate resolutions and instruments of authority from corporations, administrators, executors, personal representatives, directors, or custodians.

The Fund sells its shares at their net asset value next determined after the Fund receives the request in good order (meaning that the request meets the requirements set out below and otherwise meets the requirements implemented from time to time by the Fund's transfer agent or the Fund). In order for a purchase to be effected at the Fund's next determined net asset value, the Fund must receive the order before the close of trading on the Exchange (normally 4:00 p.m., Eastern Time). The Trust reserves the right to reject any order to purchase shares of the Fund. The Trust generally expects to inform any persons that their purchase has been rejected within 24 hours.

Certain plan administrators, brokers, or other financial institutions may accept purchase orders for R Shares on behalf of the Fund. Such brokers or financial institutions may designate other intermediaries to accept purchase orders on behalf of the Fund. For purposes of pricing, the Fund will be deemed to have received a purchase order when a plan administrator, broker, or financial institution or, if applicable, authorized designee, receives the order. Agreements between such plan administrators, brokers, or financial institutions and SFA provide that these orders will be priced at the Fund's net asset value next determined after they are received by the plan administrator, broker, or financial institution or authorized designee. Orders received in good order prior to the close of the Exchange on any day the Exchange is open for trading will receive the net asset value next determined as of the end of that day. Orders received after that time will receive the next day's net asset value. Because these intermediaries' processing times may vary, please ask your plan administrator or financial intermediary when your account will be credited. Plan administrators, brokers, or other financial institutions and their designees may charge investors a fee for effecting transactions in shares of the Fund, in addition to any fees the Fund charges.

The Fund does not issue share certificates.

*Purchases in kind.* Investors may not purchase R Shares in exchange for securities.

*Certain payments by Schroders or its affiliates.* SFA, Schroders, or their affiliates may, at their own expense and out of their own assets, provide compensation to financial intermediaries in connection with sales of Fund shares or shareholder servicing. In some instances, they may make this compensation available only to certain intermediaries who have sold or are expected to sell significant amounts of shares of the Fund. If you purchase or sell shares through an intermediary, the intermediary may charge a separate fee for its services. Consult your intermediary for information. See "Payments to Financial Intermediaries" below.

If correspondence to the shareholder's address of record is returned, then, unless BFDS determines the shareholder's new address, BFDS will reinvest dividends and other distributions returned to it in the Fund, and if the correspondence included checks, the checks will be canceled and re-deposited to the shareholder's account at then-current net asset value.

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## HOW TO SELL SHARES

*When you may redeem.* For information on how to sell R Shares that were purchased through your employee benefit plan or employer-sponsored retirement plan, including any restrictions and charges that the plan may impose, please consult your employer or plan administrator. In certain circumstances, you may need to submit additional documentation to redeem your shares.

The Fund will meet redemption requests as promptly as possible and in any event within seven days after the request for redemption is received in good order. The Fund generally sends payment for shares on the business day after a request is received, although it may not always do so. In case of emergencies, the Fund may suspend redemptions or postpone payment for more than seven days, as permitted by law.

Plan administrators or other agents may charge investors a fee for effecting transactions in R Shares of the Fund, in addition to any fees the Fund charges.

*Involuntary redemptions.* If, because of redemptions, an account balance for the Fund falls below a minimum amount set by the Fund (presently \$2,000), the Trust may choose to redeem the shares in the account and pay for them. A shareholder will receive at least 30 days' written notice before the Trust redeems such shares, and the shareholder may purchase additional shares of its share class at any time to avoid a redemption. The Trust may also redeem shares in an account if the account holds shares of the Fund above a maximum amount set by the Trustees. There is currently no maximum, but the Trustees may establish one at any time, which could apply to both present and future shareholders.

*Suspension.* The Trust may suspend the right of redemption of the Fund or postpone payment by the Fund during any period when: (1) trading on the Exchange is restricted, as determined by the SEC, or the Exchange is closed; (2) the SEC has by order permitted such suspension; or (3) an emergency (as defined by rules of the SEC) exists, making disposal of portfolio investments or determination of the Fund's net asset value not reasonably practicable.

*Redemptions in kind.* The Trust may redeem in kind, but does not expect to do so under normal circumstances. If a Trust redeems your shares in kind, you should expect to incur brokerage expenses and other transaction costs upon the disposition of the securities you receive from the Fund. In addition, the price of those securities may change between the time when you receive the securities and the time when you are able to dispose of them. The Trust may pay redemption proceeds in any amount with respect to the Fund in whole or in part by a distribution in kind of securities held by the Fund in lieu of cash.

*General.* In an effort to prevent unauthorized or fraudulent redemption requests by telephone, BFDS will follow reasonable procedures to confirm that telephone instructions are genuine. BFDS and the Trust generally will not be liable for any losses due to unauthorized or fraudulent purchase or redemption requests, but the applicable party or

parties may be liable if they do not follow these procedures. In certain circumstances, you may need to submit additional documentation to redeem your shares.

*Redemption fee.* The Fund imposes a 2.00% redemption fee on shares redeemed (including in connection with an exchange) two months or less from their date of purchase. The fee is not a sales charge (load); it is paid directly to the Fund. The purpose of the redemption fee is principally to discourage market timing, and also to help defray costs incurred by the Fund in connection with short-term trading by investors in its shares.

To the extent that the redemption fee applies, the price a shareholder will receive when it redeems shares of the Fund is the net asset value next determined after receipt of the redemption request in good order, minus the redemption fee. The Fund permits exceptions to the redemption fee policy for the following transactions:

- to the extent the exception is requested by a financial intermediary and the intermediary agrees to administer the exception uniformly among similarly-affected clients, redemptions or exchanges by discretionary asset allocation or wrap programs (“wrap programs”) that are initiated by the sponsor of the program as part of a periodic rebalancing, provided that such rebalancing occurs no more frequently than quarterly, or, if more frequent, was the result of an extraordinary change in the management or operation of the wrap program leading to a revised investment model that is applied across all applicable accounts in the wrap program;
- to the extent the exception is requested by a financial intermediary and the intermediary agrees to administer the exception uniformly among similarly-affected clients, redemptions or exchanges by a wrap program that are made as a result of a full withdrawal from the wrap program or as part of a systematic withdrawal plan;
- to the extent the exception is requested by a financial intermediary and the intermediary agrees to administer the exception uniformly among similarly-affected clients, the following transactions in participant-directed retirement plans:
  - where the shares being redeemed were purchased with new contributions to the plan (*e.g.*, payroll contributions, employer contributions, and loan repayments);
  - redemptions made in connection with taking out a loan from the plan;
  - redemptions in connection with death, disability, hardship withdrawals, or Qualified Domestic Relations Orders;
  - redemptions made as part of a systematic withdrawal plan;
  - redemptions made by a defined contribution plan in connection with a termination or restructuring of the plan;
  - redemptions made in connection with a participant’s termination of employment; and
  - redemptions made as part of a periodic rebalancing under an asset allocation model.
- involuntary redemptions, such as those resulting from a shareholder’s failure to maintain a minimum investment in the Fund;
- redemptions of shares acquired through the reinvestment of dividends or distributions paid by the Fund;

- redemptions and exchanges effected by other mutual funds (*e.g.*, funds of funds) that are sponsored by Schroders or its affiliates;
- to the extent the Fund is used as a qualified default investment alternative under the Employee Retirement Income Security Act of 1974 for certain 401(k) plans; and
- otherwise as the officers of Schroders or the Trust may determine is appropriate after consideration of the purpose of the transaction and the potential impact to the Fund.

The application of the redemption fee and exceptions may vary among intermediaries, and certain intermediaries may not apply the exceptions listed above. If you purchase or sell fund shares through an intermediary, you should contact your intermediary for more information on whether the redemption fee will be applied to redemptions of your shares.

For purposes of computing the redemption fee, redemptions by a shareholder to which the fee applies will be deemed to have been made on a first-purchased, first-redeemed basis.

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## **EXCHANGES**

For information regarding the exchange of R Shares, please consult your employer or plan administrator.

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## **DIVIDENDS AND DISTRIBUTIONS**

The Fund declares dividends from net investment income and distributes these dividends annually. The Fund distributes any net investment income and any net realized capital gain at least annually. The Fund makes distributions from net capital gain after applying any available capital loss carryovers.

**You can choose from four distribution options:**

- Reinvest all distributions in additional R Shares of the Fund;
- Receive distributions from net investment income in cash while reinvesting capital gains distributions in additional R Shares of the Fund;
- Receive distributions from net investment income in additional R Shares of the Fund while receiving capital gain distributions in cash; or
- Receive all distributions in cash.

A shareholder can change its distribution option by notifying BFDS in writing. If a shareholder does not select an option when its account is opened, all distributions by the Fund will be reinvested in additional R Shares of the Fund. Shareholders will receive a statement confirming reinvestment of distributions in additional Fund shares promptly following the period in which the reinvestment occurs.

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## **FREQUENT PURCHASES AND REDEMPTIONS OF FUND SHARES**

Excessive trading can hurt Fund performance, operations, and shareholders. The Board of Trustees of the Fund has adopted policies and procedures with respect to frequent purchases and redemptions of Fund shares by Fund shareholders. The Fund discourages, and does not accommodate, frequent purchases and redemptions of the Fund's shares to the extent Schroders believes that such trading is harmful to the Fund's shareholders, although the Fund will not necessarily prevent all frequent trading in its

shares. The Fund reserves the right, in its discretion, to reject any purchase, in whole or in part (including, without limitation, purchases by persons whose trading activity Schroders believes could be harmful to the Fund). The Trust or Schroders may also limit the amount or number of exchanges or reject any purchase by exchange if the Trust or Schroders believes that the investor in question is engaged in “market timing activities” or similar activities that may be harmful to the Fund or its shareholders, although the Trust and Schroders have not established any maximum amount or number of such exchanges that may occur in any period. The Trust generally expects to inform any persons that their purchase has been rejected within 24 hours. In addition, the Board of Trustees of the Fund has established a 2.00% redemption fee for shares of the Fund held for two months or less from their date of purchase. See “How to Sell Shares — Redemption Fee” for further information. The ability of Schroders to monitor trades that are placed through omnibus or other nominee accounts is limited in those instances in which the broker, retirement plan administrator, or fee-based program sponsor does not provide complete information to Schroders regarding underlying beneficial owners of Fund shares. The Trust or its distributor enters into written agreements with financial intermediaries who hold omnibus accounts that require the intermediaries to provide certain information to the Trust regarding shareholders who hold shares through such accounts and to restrict or prohibit trading in Fund shares by shareholders identified by the Trust as having engaged in trades that violate the Trust’s “market timing” policies. The Trust or Schroders may take any steps they consider appropriate in respect of frequent trading in omnibus accounts, including seeking additional information from the holder of the omnibus account or potentially closing the omnibus account (although there can be no assurance that the Trust or Schroders would do so). Please see the SAI for additional information on frequent purchases and redemptions of Fund shares. There can be no assurance that the Fund or Schroders will identify all harmful purchase or redemption activity, or market timing or similar activities, affecting the Fund, or that the Fund or Schroders will be successful in limiting or eliminating such activities.

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## **PAYMENTS TO FINANCIAL INTERMEDIARIES**

SFA, Schroders or any of their affiliates, may, from time to time, make payments to financial intermediaries, including plan administrators, for sub-administration, sub-transfer agency, or other shareholder services or distribution, out of their own resources and without additional cost to a Fund or its shareholders. For R Shares, these payments may be out of or in addition to payments made with 12b-1 fees. Financial intermediaries are firms that, for compensation, sell shares of mutual funds, including the Fund, and/or provide certain administrative and account maintenance services to mutual fund shareholders. These financial intermediaries may include, among others, brokers, financial planners or advisers, banks, and insurance companies.

In some cases, a financial intermediary may hold its client’s shares of the Fund in nominee or street name. Financial intermediaries may also provide shareholder services, which may include, among other things: processing and mailing trade confirmations, periodic statements, prospectuses, annual and semiannual reports, shareholder notices, and other SEC-required communications; processing tax data; issuing and mailing dividend checks to shareholders who have selected cash distributions; preparing record date shareholder lists for proxy solicitations; collecting and posting distributions to shareholder accounts; and establishing and maintaining systematic withdrawals and automated investment plans and shareholder account registrations.

The compensation paid by SFA, Schrodgers, or their affiliates to an intermediary is typically paid continually over time, during the period when the intermediary's clients hold investments in the Fund. Currently, for other share classes of the Fund, the amount of continuing compensation paid by SFA, Schrodgers, or their affiliates to different financial intermediaries for distribution and/or shareholder services varies, but in most cases, the compensation is paid at an annual rate ranging up to 0.45% (0.00% to 0.45%) of the value of the financial intermediary's clients' investments in the Fund. In addition, SFA, Schrodgers, or their affiliates may also pay financial intermediaries one-time charges for setting up access for the Funds on particular platforms, as well as transaction fees, or per position fees. SFA anticipates that the level of compensation to intermediaries in respect of R Shares will be higher in light of the enhanced services that may be provided by intermediaries to plans and their participants, which services may include among other things, the maintenance of participant accounts and plan recordkeeping services.

SFA or its affiliates, at their own expense and out of their own assets, also may provide other compensation to financial intermediaries in connection with conferences, sales, or training programs for their employees, seminars for the public, advertising or sales campaigns, or other financial intermediary-sponsored special events. In some instances, the compensation may be made available only to certain financial intermediaries whose representatives have sold or are expected to sell significant amounts of shares. Intermediaries that are registered broker-dealers may not use sales of Fund shares to qualify for this compensation to the extent prohibited by the laws or rules of any state or any self-regulatory agency, such as FINRA.

If payments to financial intermediaries by the distributor or adviser for a particular mutual fund complex exceed payments by other mutual fund complexes, your financial adviser and the financial intermediary employing him or her may have an incentive to recommend that fund complex over others. Please speak with your plan administrator or financial adviser to learn more about the total amounts paid to your financial adviser and his or her firm by SFA and its affiliates, and by sponsors of other mutual funds he or she may recommend to you. You should also consult disclosures made by your plan administrator or financial intermediary at the time of purchase.

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## TAXES

**Taxes on dividends and distributions.** For federal income tax purposes, distributions of investment income (including from municipal bonds, unless the Fund meets applicable holdings requirements that it does not expect to meet) are taxed as ordinary income. Taxes on distributions of capital gains are determined by how long the Fund owned the investments that generated the gains, rather than how long you have owned your shares. Distributions of net capital gains from the sale of investments that the Fund has held for more than one year and that are properly designated by the Fund as capital gain dividends will be taxable as long-term capital gains. Distributions of gains from the sale of investments that the Fund owned for one year or less and gains on the sale of bonds characterized as a market discount sale will be taxable as ordinary income. For taxable years beginning before January 1, 2011, distributions of investment income designated by the Fund as derived from "qualified dividend income" will be taxed in the hands of individuals at rates applicable to long-term capital gains, provided holding period and other requirements are met at both the shareholder and Fund level.

Distributions are taxable to shareholders even if they are paid from income or gains earned by the Fund before a shareholder's investment (and thus were included in the

price the shareholder paid). Distributions are taxable whether shareholders receive them in cash or reinvest them in additional shares.

Distributions by the Fund to retirement plans that qualify for tax-exempt treatment under federal income tax laws will not be taxable. Special tax rules apply to investments through such plans. You should consult your tax advisor to determine the suitability of the Fund as an investment through such a plan and the tax treatment of distributions (including distributions of amounts attributable to an investment in the Fund) from such a plan.

The Fund's investment in certain debt obligations, hedging transactions and derivatives may cause the Fund to recognize taxable income in excess of the cash generated by such obligations. Thus, the Fund could be required at times to liquidate other investments, including at times when it may not be advantageous to do so, in order to satisfy its distribution requirements.

In general, dividends (other than capital gain dividends) paid to a shareholder that is not a "U.S. person" within the meaning of the Code (a "foreign person"), are subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate). However, effective for taxable years of the Fund beginning before January 1, 2010, the Fund generally will not be required to withhold any amounts with respect to distributions of (i) U.S.-source interest income that, in general, would not be subject to U.S. federal income tax if earned directly by an individual foreign person, and (ii) net short-term capital gains in excess of net long-term capital losses, in each case to the extent such distributions are properly designated by the Fund.

Long-term capital gain rates applicable to individuals have been temporarily reduced — in general, to 15% with lower rates applying to taxpayers in the 10% and 15% rate brackets — for taxable years beginning before January 1, 2011.

**Taxes when you sell, redeem or exchange your shares.** Any gain resulting from a redemption, sale or exchange (including an exchange for shares of another fund) of your shares in the Fund will also generally be subject to federal income tax at either short-term or long-term capital gain rates depending on how long you have owned your shares.

**Foreign taxes.** The Fund's investments in foreign securities may be subject to foreign withholding or other taxes. In that case, the Fund's return on those securities would be decreased. Shareholders of the Fund generally will not be entitled to claim a credit or deduction with respect to foreign taxes. In addition, investments in foreign securities may increase or accelerate the Fund's recognition of ordinary income and may affect the timing or amount of the Fund's distributions.

**Derivatives.** The Fund's use of derivatives may affect the amount, timing, and character of distributions to shareholders and, therefore, may increase the amount of taxes payable by shareholders.

**Fund of Funds Structure.** Special tax consequences may apply to shareholders of the Fund as a result of its investments in other funds. Please see the SAI under "TAXES" for more information.

**Consult your tax advisor about other possible tax consequences.** This is a summary of certain U.S. federal income tax consequences of investing in the Fund. You should consult your tax advisor for more information on your own tax situation, including possible other federal, state, local and foreign tax consequences of investing in the Fund.

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## **DISCLOSURES OF FUND PORTFOLIO INFORMATION**

Please see the Fund's SAI for a description of the Fund's policies and procedures regarding the persons to whom the Fund or Schroders may disclose the Fund's portfolio securities positions, and under which circumstances.

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## **FINANCIAL HIGHLIGHTS**

The financial highlights below are intended to help you understand the financial performance of the Fund since its inception. Certain information reflects financial results for a single R Share. The total returns represent the total return for an investment in R Shares of the Fund, assuming reinvestment of all dividends and distributions.

For all periods through the fiscal year ended October 31, 2008, the financial highlights have been audited by PricewaterhouseCoopers LLP, independent registered public accountant to the Fund. The audited financial statements for the Fund and the related independent registered public accountant's report are contained in the Fund's Annual Report and are incorporated by reference into the Fund's SAI. Copies of the Annual Report may be obtained without charge by writing the Fund at P.O. Box 8507, Boston, Massachusetts 02266, or by calling (800) 464-3108. The Fund's Annual Report is also available on the following website: [www.schroderfunds.com](http://www.schroderfunds.com).

**Financial Highlights**  
**Selected Per Share Data and Ratios for a Share Outstanding**  
**Through the Period Ended October 31**

		Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Losses	Total From Investment Operations	Dividends From Net Investment Income	Distributions From Net Realized Gain
<b>Multi-Asset Growth Portfolio</b>							
R Shares							
2008 <sup>(a)</sup>		\$10.00	\$0.12 <sup>(1)</sup>	\$(3.14)	\$(3.02)	\$—	\$—
Total Distributions	Net Asset Value, End of Period	Total Return(c)	Net Assets, End of Period (000)	Ratio of Expenses to Average Net Assets (Including Waivers, Reimbursements and Excluding Offsets)	Ratio of Expenses to Average Net Assets (Excluding Waivers, Reimbursements and Offsets)	Ratio of Net Investment Income (Loss) to Average Net Assets (Including Waivers, Reimbursements and Offsets)	Portfolio Turnover Rate
\$—	\$6.98	(30.20)%	\$349	1.75%	4.30% <sup>(b)</sup>	1.41%	151%

(1) Per share net investment income calculated using average shares.

(a) Commenced operations on December 20, 2007. All ratios for the period have been annualized, except for the Total Return and the Portfolio Turnover Rate.

(b) If tax expense was not included, the Ratio of Expenses to Average Net Assets (Excluding Waivers, Reimbursements and Offsets) would have been 3.71% for R Shares.

(c) Total returns would have been lower had certain fund expenses had not been waived or reimbursed during periods shown. Total return calculations for a period of less than one year are not annualized.

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## **USA PATRIOT ACT**

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means to you: When you open an account directly with the Fund, you will be asked your name, address, date of birth, and other information that will allow you to be identified. You may also be asked for other identifying documentation. If the Trust is unable to verify the information shortly after your account is opened, your account may be closed and your shares redeemed at their net asset values at the time of the redemption.

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## APPENDIX A

The summaries below are qualified in their entirety by reference to the prospectus and SAI of each underlying fund, which are available free of charge by telephoning the Trust at (800) 464-3108 ((617) 483-5000 from outside the United States) or by visiting the Trust's website: [www.schroderfunds.com](http://www.schroderfunds.com). Please refer to the prospectus and SAI of each underlying fund for a more detailed explanation of each underlying fund's principal investments, investment methodology and risks, as well as a definition of each underlying fund's benchmark.

Name	Investment Goal/Strategy	Benchmark
Schroder U.S. Small and Mid Cap Opportunities Fund	The fund seeks capital appreciation. The fund invests primarily in companies in the United States that the fund's adviser considers to be small or mid cap companies. In selecting investments for the fund, the fund's adviser seeks to identify securities of companies that it believes offer the potential for capital appreciation, based on novel, superior, or niche products or services, operating characteristics, quality of management, an entrepreneurial management team, their having gone public in recent years, opportunities provided by mergers, divestitures, new management, or other factors. The fund normally invests at least 80% of its net assets in companies considered by the fund's adviser at the time to be small or mid cap companies located in the United States.	Russell 2500 Index
Schroder International Alpha Fund	The fund seeks long-term capital appreciation through investment in securities markets outside the United States. The fund invests principally in securities of companies located outside of the United States, and normally invests at least 65% of its total assets in equity securities of companies the fund's adviser considers to be located outside of the United States. The fund will invest in a variety of countries throughout the world. The fund normally invests a substantial portion of its assets in countries included in the Morgan Stanley Capital International EAFE Index, which is a market weighted index of companies representative of the market structure of certain developed market countries in Europe, Australia, Asia, and the Far East.	Morgan Stanley Capital International EAFE Index
Schroder International Diversified Value Fund	The fund seeks long-term capital appreciation. The fund invests principally in a diversified portfolio of equity securities of companies located outside of the United States that the fund's sub-adviser considers to offer attractive valuations. The fund's sub-adviser applies a proprietary quantitative investment analysis that seeks to develop a portfolio designed to capture the historically high returns from value stocks but with lower risk than the Morgan Stanley Capital International EAFE Index over the longer term and to provide a dividend yield typically above that Index. The sub-adviser expects that a substantial portion of the fund's investments will normally be in countries included in the Morgan Stanley Capital International EAFE Index, which is a market-weighted index of companies representative of the market structure of certain developed market countries in Europe, Australia, Asia, and the Far East, although the fund may invest in any country in the world, including "emerging market" countries.	Morgan Stanley Capital International EAFE Index

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**PRIVACY STATEMENT**

In the course of doing business with Schroders and the Schroder Mutual Funds, you share nonpublic personal and financial information (“nonpublic personal information”) with us. Schroders respects your right to privacy. We understand that you have entrusted us with this private information and we recognize the importance of protecting unnecessary or unauthorized access to it.

**I. Information That We Collect**

We may collect nonpublic personal information about you when you communicate or transact business with us or with our service providers in writing, electronically, or by telephone. For example, we collect nonpublic personal information (such as name, address, account and other investment information) about you from the following sources:

- Applications or forms completed by you; and
- Your transactions and account positions with us, our affiliates, or others (including, for example, your own broker or custodian).

**II. Information That We Disclose**

We do not sell or rent your nonpublic personal information to any third parties.

We may disclose your nonpublic personal information to third parties in the following limited circumstances:

We may disclose some or all of your nonpublic personal information to companies that help us maintain, process or service your transactions or account(s) or financial products or services effected by or through us, including companies that perform administrative, accounting, transfer agency, custodial, brokerage or proxy solicitation services for us.

We may disclose some or all of your nonpublic personal information, such as account and transaction data, to companies which assist us in marketing or client servicing. These companies will use this information only for the services for which we hired them, are not permitted to use or share this information for any other purpose and are required to protect the confidentiality and security of this information.

We may disclose or report some or all of your nonpublic personal information if you request or authorize us to do so, for institutional risk control, or in other circumstances where we believe in good faith that disclosure is required or permitted under law.

**III. Our Security Procedures**

We maintain physical, electronic, and procedural safeguards that comply with federal standards to protect your nonpublic personal information. Within Schroders, access to such information is limited to those employees who need it to perform their jobs, such as servicing your accounts, resolving problems, or informing you of new products or services. Finally, our Code of Ethics, which applies to all employees, restricts the use of customer information and requires that it be held in strict confidence.

We observe these policies with respect to current and former Schroders customers and shareholders of the Schroder Mutual Funds.

If you identify any inaccuracy in your personal information or you need to make a change to that information, please contact us in writing so that we may promptly update our records.

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SCHRODER SERIES TRUST  
Schroder Multi-Asset Growth Portfolio

The Fund has a Statement of Additional Information (“SAI”) and annual report to shareholders which contain additional information about the Fund. In the Fund’s annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund’s performance during its last fiscal year. The SAI and the financial statements included in the Fund’s most recent annual report to shareholders are incorporated by reference into this Prospectus, which means they are part of this Prospectus for legal purposes. You may get free copies of these materials, request other information about the Fund, or make shareholder inquiries by calling (800) 464-3108. From outside the United States, please call (617) 483-5000 and ask to speak with a representative of the Schroder Mutual Funds. The Fund’s SAI and annual report are also available on the following website: [www.schroderfunds.com](http://www.schroderfunds.com).

You may review and copy information about the Fund, including its SAI, at the Securities and Exchange Commission’s public reference room in Washington, D.C. You may call the SEC at 1-800-SEC-0330 for information about the operation of the public reference room. You may also access reports and other information about the Fund on the SEC Internet site at [www.sec.gov](http://www.sec.gov). You may get copies of this information, with payment of a duplication fee, by electronic request to the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Public Reference Section of the Commission, Washington, D.C. 20549-0102. You may need to refer to the Trust’s file number under the Investment Company Act, which is: Schroder Series Trust: 811-7840.

SCHRODER SERIES TRUST  
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