

Press Release

Schroders launches Asian Income Maximiser

13th April 2010

Schroders announces the launch of Schroder Asian Income Maximiser (subject to FSA approval), which will give retail investors access to capital growth with a high income focus through exposure to Asian (ex-Japan) equities at a time when the domestic economy is outpaced by greater drivers for growth from outside the UK.

The Fund, which is planning to open to investors in June 2010, targets an initial gross yield of 7 per cent¹ through an actively managed portfolio of higher-yielding Asian stocks with a covered call option overlay on those stocks to enhance the yield.

The Fund will be co-managed by Thomas See, Head of Structured Fund Management, and Richard Sennitt, Fund Manager of Schroder Asian Income Fund, who will be responsible for stock selection.

The income strategy is similar to that of the successful Schroder Income Maximiser². The Fund will follow a similar stock selection strategy to the Schroder Asian Income Fund and typically 80% of the Fund's holdings are expected to be in the same stocks. It is intended that a portion of the portfolio will not have any call option overlay, in order to give the managers access to stocks and markets where option writing is more constrained but offer good prospects of income and capital growth. The proportion overwritten will depend on prevailing market conditions and will be used by the managers to deliver the enhancement required for the 7% target yield. It is expected that the Fund will initially leave around 20% of its portfolio without any overlay. The overwritten portion will still have the benefit of the first capital growth up to the pre-agreed level above which upside is sold, within each 3 monthly overlay period.

Richard Sennitt, manager of the Schroder Asian Income Fund and co-manger of Schroder Asian Income Maximiser, said:

“Asia as a region offers investors good diversification in the form of more companies from which to draw income. For example, eight stocks in the FTSE 350 make up 50 per cent of the dividend income, whereas more than 35 stocks make up the same proportion of dividend income in the MSCI AC Pac

ex Japan sector. Recovery in Asia has been driven by large amounts of self-help, both fiscal and monetary, and the region is well positioned to benefit from any global recovery. The strong profits growth being seen this year should be positive for dividend payments.”

Thomas See, manager of Schroder Income Maximiser and co-manager of Schroder Asian Income Maximiser, said:

“Schroders’ Maximiser fund strategy has proven to be durable for enhancing equity yield in all market conditions. Our flagship fund, Schroder Income Maximiser, has demonstrated this over the past four years and over a full market cycle - during one of the most severe equity market falls and then over an equally sharp rise in the market.

“For an investor able to accept the inherent risk in an equity investment, the Maximiser strategy has the advantage of drawing from two sources of yield, stock dividends and call option premia, which are both independent of low interest rates, which is depressing investment returns and making it hard for investors to find yield.”

Robin Stoakley, Managing Director of UK Intermediary at Schroders said:

“As the hunt for income in this low interest rate and low growth environment intensifies, investors are looking further afield to Asia as a source of good quality companies and consistent income. The Schroder Asian Income Maximiser not only offers investors a high initial yield, but also the prospects of good income and capital growth over the long term.

“Given the quality of the stocks we’ll be investing in, I believe that the Schroder Asian Income Maximiser is a very attractive proposition in the high income space.”

The structured investments team at Schroders has launched in excess of US\$10bn of funds and manages over £700m in the Schroder Maximiser strategy.

The Schroder Asian Income Maximiser is an authorised Unit Trust offering daily dealing. There is no fixed term or lock-in period for investors. Income is paid quarterly and investors can invest through an ISA or ISA/PEP transfer.

- Ends -

1 The yield is calculated as a percentage of the prevailing fund price determined quarterly and is an estimate, and is therefore not guaranteed.

2 OSBR 'A' rated Schroder Income Maximiser has delivered more than 7 per cent income per year since launch – 7.4 per cent in 2006, 7.3 per cent in 2007, 8.7 per cent in 2008, and 7.3 per cent in 2009.

For further information, please contact Schroders' press office:

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Notes to Editors

For trade press only

Fund Manager Track Record

- **Richard Sennitt** has delivered strong performance as manager of the Schroder Asian Income Fund. This was restructured from the Schroder Far East Income Fund on 14 December 2009, when Japan was removed from the investment universe.

%	1 year	2 years	3 years	Since Inception
Schroder Asian Income Fund	+64.9	+17.8	+38.7	+46.4
Reference benchmark**	+69.6	+12.4	+32.2	+40.3
Relative return	-4.7	+5.4	+6.5	+6.1

Source: Schroders as at 26/02/10, figures are presented net of fees, with net dividends reinvested. Since inception of income mandate from 01/12/06. From 14 December reference benchmark MSCI AC Pacific ex Japan. Prior to this, the benchmark was MSCI AC Pacific (Japan at 10%). The full track record of the previous index has been kept and chain linked to the new one.

- **Thomas See** has delivered strong performance as manager of Schroder Income Maximiser.

%	1 year	2 years	3 years	Since Inception
Schroder Income Maximiser	+54.3	+20.7	+9.2	+32.8
FTSE All Share index	+52.3	+7.6	-0.7	+24.4
IMA UK Equity Income average	+45.9	+3.1	-10.7	+13.3
Rank	13/83	7/74	3/73	5/65
Quartile	1	1	1	1

Source: Lipper Hindsight, bid to bid, net income reinvested, as at 31/03/10. Schroder Income Maximiser launch date 04/11/05. Inception data taken from 07/11/05, nearest available date.

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Schroders plc

Schroders is a global asset management company with £148.4 billion (EUR 167.0 billion / \$239.6 billion) under management as at 31 December 2009. Our clients are major financial institutions including pension funds, banks and insurance companies, local and public authorities, governments, charities, high net worth individuals and retail investors.

We apply our specialist asset management skills in serving the needs of our clients worldwide. With one of the largest networks of offices of any dedicated asset management company and over 300 portfolio managers and analysts covering all the major investment markets, we offer our clients a comprehensive range of products and services.

Further information about Schroders can be found at www.schroders.com or on Schroders Talking Point www.schroders.com/talkingpoint

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