Schroders

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Schroder Japan Growth Fund plc

(GB0008022849)

This product is listed on the London Stock Exchange, and governed by its Board of Directors. The Board has appointed Schroder Unit Trusts Limited as its investment manager, and to prepare this Key Information Document. Schroder Unit Trusts Limited is a member of the Schroders Group and is authorised and regulated by the Financial Conduct Authority (FCA). For more information on this product, please refer to www.schroders.co.uk/japangrowth or call 0800 718 777.

This document was published on 5 March 2019.

What is this product?

Type

This is an investment trust.

Investment objective and policy

The principal investment objective of the Company is to achieve capital growth from an actively managed portfolio principally comprising securities listed on the Japanese stock markets, with the aim of achieving growth in excess of the TSE First Section Total Return Index in sterling over the longer term.

The Manager utilises an active stock driven investment approach, drawing on Schroders' extensive research resources in Japan. The portfolio is principally invested in a broad range of companies quoted on the Tokyo Stock Exchange, the regional stock markets of Fukuoka, Hiroshima, Kyoto, Nagoya, Niigata, Osaka and Sapporo and the Japanese over the counter (OTC) market. Investments may also be made in companies listed elsewhere but controlled from Japan or with a material exposure to the Japanese economy. There are no constraints on size of company or sector allocation. This flexibility will allow the Manager to take advantage of changes in market sentiment and in the domestic economic cycle as it develops.

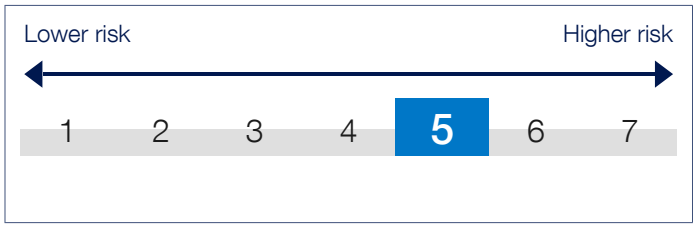
The portfolio is mainly invested in equities but may also be invested in warrants, convertibles and other derivative instruments where appropriate. The Company may invest up to 5% of its assets in securities which are not listed on any stock exchange, but would not normally make such investment except where the Manager expects that the securities will shortly become listed on a Japanese stock market.

Intended retail investor

The Company is intended for retail and institutional investors.

What are the risks and what could I get in return?

Risks



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of market movements. The risk indicator assumes that you keep the product for 5 years. The risk is considered to be higher if the holding period is shorter.

The risk category was calculated using historical performance data and may not be a reliable indicator of the Company's future risk profile.

The Company is in this category because it can take higher risks in search of higher rewards. This category rates the potential losses from future performance at a "medium" level, and poor market conditions will likely cause shareholders to lose money.

The following factors serve to increase risk and may lead to higher volatility in the Company's share price: it invests in assets which are exposed to currencies other than sterling; it invests solely in the securities of a particular country; it may use derivatives for specific investment purposes; and it has borrowed (or "geared") to purchase assets.

Credit risk

The Company has no significant exposure to credit risk. None of the Company's investments represent more than 10% of its net asset value.

Performance scenarios

Investment GBP 10,000				
Scenarios		**1 year**	**3 years**	**5 years** (Recommended Holding Period)
Stress Scenario	What you might get back after costs Average return each year	GBP 6,256.17 -37.4%	GBP 4,248.92 -24.8%	GBP 3,185.64 -20.5%
Unfavourable Scenario	What you might get back after costs Average return each year	GBP 8,279.06 -17.2%	GBP 7,879.18 -7.6%	GBP 7,955.22 -4.5%
Moderate Scenario	What you might get back after costs Average return each year	GBP 10,729.69 7.3%	GBP 12,343.77 7.3%	GBP 14,200.64 7.3%
Favourable Scenario	What you might get back after costs Average return each year	GBP 13,889.23 38.9%	GBP 19,315.21 24.5%	GBP 25,319.14 20.4%

This table shows the money you could get back over the next five years, under different scenarios, assuming that you invest GBP 10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

The stress scenario shows what you might get back in extreme market circumstances.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Schroder Japan Growth Fund plc is unable to pay out?

You may sell your shares at any time on the London Stock Exchange using your broker. Your shares are sold to another buyer in the market without recourse to the Company. If the Company goes into liquidation the investments will be sold and you will receive your pro rata share of the proceeds after settlement of any liabilities. You would not be entitled to compensation from the Financial Services Compensation Scheme.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods and are based on an investment of GBP 10,000. The figures are estimates and may change in the future.

Investment GBP 10,000	if you cash in after 1 year	if you cash in after 3 years	if you cash in after 5 years (Recommended Holding Period)
Total Costs	GBP 117.20	GBP 377.76	GBP 677.57
Impact on Return (RIY) per year	1.17%	1.17%	1.17%

Composition of costs

The table below shows details of the different cost categories, and the impact each year of these costs on the investment return.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs when exiting your investment.
Ongoing costs	Portfolio transaction costs	0.03%	The impact of the costs of buying and selling underlying investments for the product.
	Other ongoing costs	1.14%	The impact of the costs of managing the Company's investments, comprising the management fee, finance costs and all other operating expenses, excluding transaction costs.
Incidental costs	Performance fees	none	No Performance Fees are applied.

How long should I hold it and can I take money out early?

In order to seek to minimise the effect of shorter term cyclical fluctuations in the market, the recommended minimum holding period for the Company's shares is at least 5 years. Shares in the Company may be bought and sold at any time on the London Stock Exchange using your broker.

How can I complain?

Should you wish to complain about your investment in the Company or any aspect of the service provided to you by Schroders, please write to the Board c/o the Company Secretary at 1 London Wall Place, London EC2Y 5AU, or send an email to: investorservices@schroders.com.

If you have a complaint about financial advice you have received in relation to the Company or the service you have received when placing transactions in the Company's shares through a third party, please direct your complaint to your adviser or third party accordingly.

Other relevant information

Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and Stamp Duty. The distributor will provide you with additional documents where necessary.

You can get further information about the Company, details of the Company's share price and copies of the Report and Accounts and other documents published by the Company as well as information on the Directors, Terms of Reference of Committees and other governance arrangements from **www.schroders.co.uk/japangrowth**. A paper copy of these documents is available free of charge upon request. You can also refer to this website for additional information such as announcements made by the Company to the market, details on "How to invest", as well as on remuneration policy.

Tax legislation: The Company is subject to UK tax legislation which may have an impact on your personal tax position.

This Key Information Document is updated at least every 12 months.

The cost, performance and risk calculations included in this Key Information Document follow the methodology prescribed by EU rules.