

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Schroder European Equity Absolute Return Fund

a sub-fund of Schroder Absolute Return Fund Company

Class P1 Accumulation GBP Hedged (GB00B39VWX15)

This fund is managed by Schroder Unit Trusts Limited, which is a member of the Schroders Group.

Objectives and investment policy

Objectives

The fund aims to achieve an absolute return (after fees have been deducted) by investing in equities of European companies. Absolute return means the fund seeks to provide a positive return over rolling 12-month periods in all market conditions, but this cannot be guaranteed and your capital is at risk.

Investment policy

The fund invests at least 80% of its assets directly, or indirectly through derivatives, in equities of European companies.

The fund may also invest in other equities, bonds and money market instruments, and hold cash.

The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently.

The fund may have long and short positions and may be net long or short when long and short positions are combined. The fund may use contracts for differences, forward foreign exchange transactions, interest rate and government bond futures, and other exchange traded and off exchange traded derivative contracts. Such derivative contracts have the potential to significantly increase the fund's risk profile.

Benchmark

The fund's performance should be assessed against its objective of providing a positive return over rolling 12-month periods in all market conditions and compared against the FTSE World Europe (Gross Total Return) Index.

Dealing frequency

You may redeem your investment upon demand. This fund deals daily.

Distribution policy

This share class accumulates income received from the fund's investments, meaning it is kept in the fund and its value is reflected in the price of the share class.

Risk and reward profile



The risk and reward indicator

The risk category is based upon the fund's risk target and there is no guarantee that the fund will achieve it.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk-free investment.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

Risk factors

Currency risk: The fund may lose value as a result of movements in foreign exchange rates.

Currency risk/hedged share class: The hedging of the share class may not be fully effective and residual currency exposure may remain. The cost associated with hedging may impact performance and potential gains may be more limited than for unhedged share classes.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.

Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

Derivatives risk – Efficient Portfolio Management and Investment Purposes: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. When the value of an asset changes, the value of a derivative based on that asset may change to a much greater extent. This may result in greater losses than investing in the underlying asset.

Charges

One-off charges taken before or after you invest

Entry charge	None
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Exit charge	None
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This is the maximum that might be taken out of your money before it is invested.

Charges taken from the fund over a year

Ongoing charges	1.61%
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Charges taken from the fund under certain specific conditions

Performance fee

20.00% In the fund's last financial year the performance fee was 0.00% of the fund.

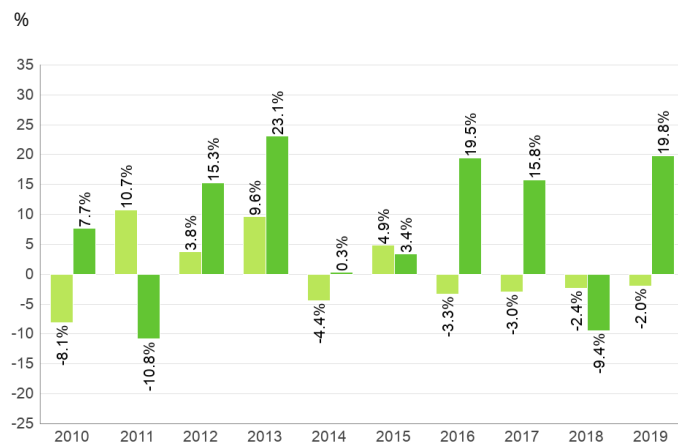
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures and in some cases you might pay less. You can find out the actual entry and exit charges from your financial advisor.

The ongoing charges figure is based on the last year's expenses for the year ending December 2019 and may vary from year to year.

Please see the prospectus for more details about the charges.

Past performance



Performance achieved between 2009 and 2016 was achieved under circumstances that no longer apply. The fund name and objective and policy changed on 1 April 2015 and on 1 October 2016.

Performance achieved between 2009 and 2014 was achieved under circumstances that no longer apply. The fund name and charges changed on 24 March 2014.

■ P1 Accumulation GBP (GB00B39VWX15)
■ FTSE World Europe (Gross Total Return) Index

Past performance is not a guide to future performance and may not be repeated. The value of investments may go down as well as up and you may not get back the amount you originally invested.

The chart shows performance in British pound after the ongoing charges, the portfolio transaction costs and the performance fee have been paid.

The fund was launched on 18 July 2008.

Practical information

Trustee: J. P. Morgan Europe Ltd.

Further Information: Further Information: You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly reports and the latest price of units from www.schroders.com/ukinvestor and from Schroders, PO Box 1102, Chelmsford, Essex, CM99 2XX, England, telephone +44 (0)800 718 777. They are available free of charge in English, French, German, Italian.

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

Liability: Schroder Unit Trusts Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the fund's prospectus.

Umbrella Fund: This fund is a sub-fund of an umbrella fund, the name of which is at the top of this document. The prospectus and periodic reports are prepared for the entire umbrella fund. To protect investors, the assets and liabilities of each sub-fund are segregated by law from those of other sub-funds.

Switches: Subject to conditions, you may apply to switch your investment into another share class within this fund or in another Schroder fund. Please see the prospectus for more details.

Remuneration policy: A summary of Schroders' remuneration policy and related disclosures is at www.schroders.com/remuneration-disclosures. A paper copy is available free of charge upon request.

The policy includes a description of how remuneration and benefits are calculated & the identities of persons responsible for awarding the remuneration and benefits.

Benchmark: The target benchmark has been selected because it is representative of the type of investments in which the fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the fund aims to provide. The comparator benchmark has been selected because the investment manager believes that this benchmark is a suitable comparison for performance purposes given the fund's investment objective.

Glossary: You can find an explanation of some of the terms used in this document at www.schroders.com/ukinvestor/glossary.