

# Schroders

## Form ADV Part 3 – Client Relationship Summary

June 2020

### **Item 1: Introduction**

Schroder Investment Management North America Inc (SIMNA Inc.) is registered with the Securities and Exchange Commission (SEC) as an investment advisor. Investment advisory and brokerage services and fees differ, and it is important that clients and prospective clients know the difference. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs). You will also find educational materials about broker-dealers, investment advisors, and investing.

### **Item 2: Relationships and Services**

#### ***What investment services can you provide me?***

SIMNA Inc. offers investment advisory services in a variety of investment strategies. Retail investors may invest through advisory accounts (Accounts), wrap programs offered by broker-dealers or other investment advisers (Wrap Programs) and open-end and closed-end commingled investment vehicles, including mutual funds and, subject to certain qualifying thresholds, private funds (Funds)(together with Accounts, Portfolios). For most Portfolios, we receive an on-going asset based fee at regular intervals (e.g., month or quarter end) for our services, based on the value of the cash and investments in the Portfolio. In addition, we are compensated for advising certain Portfolios with a performance based fee, meaning we would receive more compensation if the Portfolio performs well. If we manage money for you through a Wrap Program, you pay the sponsor an overall wrap fee, and the wrap sponsor compensates us.

We review and monitor the Portfolios on a continuous an ongoing basis. In addition, we have controls to monitor investment transactions and guidelines in Portfolios. In the Portfolios we manage, we typically have the authority to purchase and sell investments without asking you in advance for approval. For certain Wrap Programs, we provide the sponsor with model portfolios and the sponsor is responsible for trading and the ultimate decision regarding the purchase or sale of investments.

Portfolios are often subject to a minimum account size, which can vary depending on the type of Account or Fund, the requirements imposed by a Wrap Program sponsor, and the investment strategy.

**For additional information**, please see our Form ADV Part 2A, (items 4-7) in our brochure [here](#).

#### **Conversation starters to ask us:**

- *“Given my financial situation, should I choose an investment advisory service? Why or why not?”*
- *“How will you choose investments to recommend to me?”*
- *“What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”*

### **Item 3: Fees, Costs, Conflicts, and Standard of Conduct**

#### ***What fees will I pay?***

**Principal Fees and Costs.** The investment management fees we charge are generally computed as a percentage of the market value of assets under management in Portfolios (Asset-Based Fee), and are billed,

rather than deducted, from the assets we manage. However, for Funds, including mutual funds, the management fees are deducted from the assets we manage. Our clients typically pay our management fees quarterly in arrears, although certain Funds and some Accounts pay us at different intervals, such as monthly in arrears. Certain strategies and Portfolios may involve the use of performance fees.

**Other Fees and Costs.** Our Account clients will typically pay fees to their custodian in addition to our management fees. Depending on the strategy in which the Account invests, the Account will incur brokerage commissions for most equity trading, and the effect of the difference with respect to the bid/ask spread for trading in fixed income investments. Other types of investments (e.g, derivatives, foreign exchange transactions, etc.) may result in similar fees.

**Conflicts of Interest.** Asset-Based Fees may create a conflict of interest as the more assets you have in your Portfolio means you will pay more in fees to us, therefore creating a potential incentive for us to encourage you to increase the assets in your Portfolio.

**Additional information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Please see form ADV Part 2A (items 5-6) for additional information.

Conversation starter to ask us:

*"Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?"*

***What are your legal obligations to me when acting as my investment advisor?***

As your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. For example, there are instances in which a portfolio manager is managing accounts in the same strategy that have differences in the fee paid by different accounts. Managers have a potential conflict of interest arising from these differences, including the possible incentive to favor accounts for which we receive higher fees. Another potential conflict of interest exists when we place trades for equity securities with broker-dealers that provide research, and we may pay higher total commissions on such trades. In that case, we may have an incentive to choose a broker-dealer based on receiving research or brokerage services. Please be aware, however, that we have adopted policies and procedures that are intended to address these and other conflicts."

Conversation starter to ask us:

*"How might your conflicts of interest affect me, and how will you address them?"*

Additional information on conflicts of interest can be found in our Form ADV Part 2A brochure (Items 7, 8, 10, 11 and 12).

***How do your financial professionals make money?***

Generally, our investment professionals are remunerated through a base salary and variable performance-related pay, which consists primarily of an annual bonus award. This bonus award will include consideration of the investment performance of their Portfolios and the revenues generated by the products managed by the investment desk they work on.

**Item 4: Disciplinary History**

***Do you or your financial professionals have legal or disciplinary history?***

No. Please go to [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

*Conversation starter to ask us:*

*"As a financial professional, do you have any disciplinary history? For what type of conduct?"*

**Item 5: Additional Information**

For additional up-to-date information about our services, or if you wish to request a copy of the relationship summary, please contact us at 212-641-3800 or [clientserviceny@schroders.com](mailto:clientserviceny@schroders.com). Additional information is also available on the SEC's website at [adviserinfo.sec.gov](https://adviserinfo.sec.gov).

*Conversation starter to ask us:*

*"Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?"*