

**Schroder International Selection Fund**  
Société d'Investissement à Capital Variable  
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Grand Duchy of Luxembourg

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**IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Europe) S.A., as the Management Company to Schroder International Selection Fund, accepts full responsibility for the accuracy of the information contained in this letter and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.**

**10 October 2022**

Dear Shareholder,

## **Schroder International Selection Fund (the "Company") - Change in delegation arrangement and other updates**

### **Change in delegation arrangement**

We are writing to inform you of a change in delegation arrangement of the funds of the Company which are authorised by the Securities and Futures Commission of Hong Kong (the "**SFC**")<sup>1</sup>, as set out in Appendix 2 (each an "**SISF SFC-Authorised Fund**").

As disclosed in the Prospectus of the Company, each investment manager may appoint one or more other Schroders group companies, at its own expense and responsibility, to manage all or part of the assets of a fund or to provide recommendations or advice on any part of the investment portfolio (each a "**Sub-Investment Manager**"). Any Sub-Investment Manager appointed by an investment manager may, in turn, appoint another Schroders group entity (each a "**Sub-Delegate**") to manage all or part of a fund's assets, subject to the prior written consent of the investment manager.

Currently, as disclosed in the Hong Kong offering documents of the Company, the investment managers of certain funds of the Company (each a "**Relevant Fund**"), at their own expense and responsibility, have allocated the investment management of certain proportion of the assets of the Relevant Funds to the Sub-Investment Managers. Details of the current arrangement of the Relevant Funds are set out in Appendix 1.

With effect from 11 November 2022, each investment manager may delegate discretionary investment management of the SISF SFC-Authorised Funds to one or more of the Sub-Investment Manager(s) as listed below. Each Sub-Investment Manager(s) may in turn, appoint one or more

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<sup>1</sup> SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Sub-Delegate(s) as listed below to manage all or part of the assets of the SISF SFC-Authorised Funds. As a global asset management group, the proposed arrangement will enable Schroders to leverage on the expertise of the different investment management entities and utilise investment management resources within the Schroders group more efficiently.

The management company, investment manager, Sub-Investment Managers and Sub-Delegates are all companies within Schroders group. The list of the Sub-Investment Managers and the Sub-Delegates (the “**List**”) is as follows:

<b>Sub-Investment Managers / Sub-Delegates</b>
Schroder Investment Management (Hong Kong) Limited
Schroder Investment Management (Singapore) Ltd
Schroder Investment Management North America Inc.
Schroder Investment Management Limited
Schroder Investment Management Australia Limited
Schroder Investment Management (Japan) Limited
Schroder Investment Management (Europe) S.A. – German Branch

Notwithstanding the proposed arrangement described above, it is not the current intention that Schroder Investment Management (Japan) Limited will appoint Schroder Investment Management (Singapore) Ltd to manage all or part of the assets of any SISF SFC-Authorised Fund, and vice versa.

Under the proposed arrangement, the entities set out in the List above may be appointed or removed as the Sub-Investment Manager(s) or Sub-Delegate(s) of one or more of the SISF SFC-Authorised Funds from time to time without any further notice to Shareholders. The List will be disclosed in the Company's Hong Kong offering document and any change to the List will be updated as soon as reasonably practicable. The list of the latest Sub-Investment Manager(s) and Sub-Delegate(s) of the SISF SFC-Authorised Funds will no longer be disclosed in the Hong Kong offering documents, but will be provided to Shareholders on request and shall be further disclosed in the Company's periodic reports, i.e. the audited annual reports and unaudited half-yearly reports of the Company.

Any addition or removal of entities to or from the List shall be subject to all applicable legal and regulatory requirements and the prior approval of the SFC. Shareholders will be given one month's prior notice in the case of any such addition of entities to the List and will be notified as soon as reasonably practicable in the case of any removal of the entities from the List.

Save as disclosed above, all other key features of the SISF SFC-Authorised Funds will remain the same and there will be no change to the risks applicable to the SISF SFC-Authorised Funds. There will be no change to the current fees and expenses payable to or borne by the SISF SFC-Authorised Funds or Shareholders. Save as disclosed above, there will be no change to the operation and/or manner in which the SISF SFC-Authorised Funds are being managed as a result of the proposed arrangement. The proposed arrangement will not have any material effect on Shareholders of

the SISF SFC-Authorised Funds. The proposed change is not expected to materially prejudice the rights or interests of existing investors.

Upon the proposed arrangement takes effect, the management company of the Company shall continue to have ongoing oversight and regular monitoring of the competence of its delegates to ensure that its accountability to Shareholders is not diminished. Although the investment management function of the management company may be delegated to the investment manager(s), Sub-Investment Manager(s), and/or Sub-Delegate(s), the management company's responsibilities and obligations will not be delegated.

### **Costs and expenses in respect of the change in delegation arrangement**

Any costs and expenses incurred in the proposed change including legal, audit and regulatory charges, will be borne by the Company. Such costs and expenses are expected to be insignificant and is estimated to be approximately less than 0.01% of the net asset value of the Company.

### **Options available to investors**

We hope that you will choose to remain invested in the SISF SFC-Authorised Funds following the change in the delegation arrangement as set out above, but if you do wish to redeem your holding in the SISF SFC-Authorised Funds before the change becomes effective, you may do so at any time up to and including the dealing cut-off at 5:00 p.m. Hong Kong time on **10 November 2022**. Please ensure that your redemption instruction reaches the Hong Kong Representative before this deadline. We will execute your redemption instructions in accordance with the provisions of the Company's Hong Kong offering documents, free of charge, although in some countries local paying agents, correspondent banks or similar agents might charge transaction fees. Local agents might also have a local dealing cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach the Hong Kong Representative before the dealing cut-off at 5:00 p.m. Hong Kong time on **10 November 2022**.

### **Other miscellaneous updates**

Currently, various SISF SFC-Authorised Funds as set out in Appendix 3 do not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the SISF SFC-Authorised Fund's webpage (<https://www.schroders.com/en/hk/retail-investors/funds/fund-centre/><sup>2</sup>). From the date of this notice, the above information would be published on [www.schroders.com/en/lu/private-investor/gfc](https://www.schroders.com/en/lu/private-investor/gfc)<sup>3</sup>.

### **Updates to Hong Kong offering documents**

The Hong Kong offering documents of the Company will be revised to reflect the above changes / updates and will be available free of charge at [www.schroders.com.hk](https://www.schroders.com.hk)<sup>4</sup> or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

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<sup>2</sup> This website has not been reviewed by the SFC.

<sup>3</sup> This website has not been reviewed by the SFC.

<sup>4</sup> This website has not been reviewed by the SFC.

## **Enquiries**

If you have any questions or would like more information, please contact your usual professional advisor or the Hong Kong Representative at Level 33, Two Pacific Place, 88 Queensway, Hong Kong or calling the Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,

**The Board of Directors**

## Appendix 1

<b>Relevant Fund</b>	<b>Investment Manager</b>	<b>Sub-Investment Manager(s)</b>
Emerging Markets Multi-Asset	Schroder Investment Management Limited	Schroder Investment Management (Hong Kong) Limited
		Schroder Investment Management (Singapore) Ltd
EURO Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Singapore) Ltd
EURO Corporate Bond	Schroder Investment Management (Europe) S.A. – German Branch	Schroder Investment Management Limited
Global Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Singapore) Ltd
Global Corporate Bond	Schroder Investment Management North America Inc.	Schroder Investment Management Limited
		Schroder Investment Management (Hong Kong) Limited
Global Credit Income	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Hong Kong) Limited
Global High Yield	Schroder Investment Management North America Inc.	Schroder Investment Management Limited
		Schroder Investment Management (Hong Kong) Limited

Global Inflation Linked Bond	Schroder Investment Management Limited	Schroder Investment Management (Singapore) Ltd
Global Multi-Asset Income	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Singapore) Ltd
Global Smaller Companies	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
Global Target Return	Schroder Investment Management Australia Limited	Schroder Investment Management Limited
		Schroder Investment Management North America Inc.
Multi-Asset Growth and Income	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
Strategic Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Singapore) Ltd
Sustainable Multi-Asset Income	Schroder Investment Management Limited	Schroder Investment Management North America Inc.

## Appendix 2

### SISF SFC-Authorised Funds

1. All China Equity
2. Asian Bond Total Return
3. Asian Dividend Maximiser
4. Asian Equity Yield
5. Asian Local Currency Bond
6. Asian Opportunities
7. Asian Smaller Companies
8. Asian Total Return
9. BRIC (Brazil, Russia, India, China)
10. China Opportunities
11. Emerging Asia
12. Emerging Europe
13. Emerging Markets
14. Emerging Markets Debt Absolute Return
15. Emerging Markets Multi-Asset
16. EURO Bond
17. EURO Corporate Bond
18. EURO Equity
19. EURO Government Bond
20. EURO Liquidity
21. EURO Short Term Bond
22. European Dividend Maximiser
23. European Large Cap
24. European Smaller Companies
25. European Sustainable Equity
26. European Value
27. Frontier Markets Equity
28. Global Bond
29. Global Cities
30. Global Climate Change Equity
31. Global Corporate Bond
32. Global Credit Income
33. Global Dividend Maximiser
34. Global Emerging Market Opportunities
35. Global Energy
36. Global Equity
37. Global Equity Alpha
38. Global Equity Yield
39. Global Gold
40. Global High Yield
41. Global Inflation Linked Bond
42. Global Multi-Asset Income
43. Global Smaller Companies
44. Global Sustainable Food and Water
45. Global Sustainable Growth
46. Global Target Return
47. Greater China

48. Healthcare Innovation
49. Hong Kong Dollar Bond
50. Hong Kong Equity
51. Indian Equity
52. Japanese Equity
53. Japanese Opportunities
54. Japanese Smaller Companies
55. Latin American
56. Multi-Asset Growth and Income
57. QEP Global Active Value
58. QEP Global Quality
59. Strategic Bond
60. Sustainable Asian Equity
61. Sustainable Multi-Asset Income
62. Taiwanese Equity
63. UK Equity
64. US Dollar Bond
65. US Dollar Liquidity
66. US Large Cap
67. US Small & Mid Cap Equity
68. US Smaller Companies Impact



### Appendix 3

1. Asian Dividend Maximiser
2. Asian Equity Yield
3. Asian Local Currency Bond
4. Asian Opportunities
5. Asian Smaller Companies
6. Asian Total Return
7. BRIC (Brazil, Russia, India, China)
8. China Opportunities
9. Emerging Markets
10. Emerging Markets Debt Absolute Return
11. Emerging Markets Multi-Asset
12. EURO Bond
13. EURO Corporate Bond
14. European Dividend Maximiser
15. EURO Equity
16. EURO Government Bond
17. European Large Cap
18. EURO Short Term Bond
19. European Smaller Companies
20. Global Bond
21. Global Corporate Bond
22. Global Credit Income
23. Global Emerging Market Opportunities
24. Global Equity
25. Global High Yield
26. Global Inflation Linked Bond
27. Global Multi-Asset Income
28. Global Smaller Companies
29. Global Target Return
30. Japanese Equity
31. Japanese Opportunities
32. Japanese Smaller Companies
33. Multi-Asset Growth and Income
34. QEP Global Quality
35. UK Equity
36. US Dollar Bond
37. US Small & Mid Cap Equity

**IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Europe) S.A., as the Management Company to Schroder International Selection Fund, accepts full responsibility for the accuracy of the information contained in this letter and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.**

**21 December 2021**

Dear Shareholder,

## **Schroder International Selection Fund (the "Company") – Change of depositary and administrator**

We are writing to inform you of a change of depositary and administrator of the Company and its sub-funds including those which are authorised by the Securities and Futures Commission ("**SFC**")<sup>1</sup> as set out in the Appendix A to this letter ("**Funds**").

### **Internal Restructuring of the Depositary and Administrator of the Company and the Funds**

Currently, J.P. Morgan Bank Luxembourg S.A. ("**JPMBL**") is the Depositary and Administrator of the Company and the Funds. JPMBL and its affiliates are collectively referred to as "JPMorgan" in this letter.

As part of an internal restructuring with the aim to streamline JPMorgan's banking entity structure across Europe, three banking entities in the JPMorgan group domiciled respectively in Germany, Luxembourg and Ireland and their branches across the region will be merged into a single European bank ("**Merger**"). The Merger requires the approval by the sole shareholder of the merging entities (i.e. J.P. Morgan International Finance Limited), which has been obtained in the end of November 2021. The date when the Merger takes legal effect will be the date on which the local court of Frankfurt registers the Merger in the commercial register (the "**Effective Date**"), which is expected to be on or around 22 January 2022.

JPMBL will be one of the impacted legal entities of the Merger. In particular, the Merger will involve JPMBL merging into J.P. Morgan AG, which in turn will simultaneously change its legal form from a German Stock Corporation (*Aktiengesellschaft*) to a European company (*Societas Europaea*) known as J.P. Morgan Societas Europaea ("**JPMSE**") organised under the laws of Germany with registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and registered with the commercial register of the local court of Frankfurt under number HRB 16861. It will be a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority

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<sup>1</sup> SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) and Deutsche Bundesbank, the German Central Bank. All of JPMBL's assets and liabilities will be transferred to the Luxembourg Branch of JPMSE, which will operate as J.P. Morgan SE – Luxembourg Branch ("**JPMSE Luxembourg**").

We will notify you separately if there is any change in the Effective Date or any other material changes to the Merger.

The Commission de Surveillance du Secteur Financier ("**CSSF**") is the financial regulator in Luxembourg where the Company is domiciled and has been notified of the Merger. JPMSE Luxembourg is authorised by the CSSF to act as a depositary and fund administrator for Luxembourg undertakings for collective investment. The CSSF has confirmed no objection to JPMSE Luxembourg assuming the role of Depositary and Administrator of the Company and the Funds. JPMSE Luxembourg will be registered in the Luxembourg Trade and Companies' Register (RCS) under number B255938 and will be subject to the supervision of the home State supervisory authorities mentioned above, as well as local supervision by the CSSF.

On the Effective Date and in accordance with Luxembourg laws, JPMBL will cease to exist and the depositary and administration functions of JPMBL will transfer from JPMBL to JPMSE Luxembourg, and JPMSE Luxembourg will succeed JPMBL as the Depositary and Administrator of the Company and the Funds. JPMSE Luxembourg will assume all rights and obligations that JPMBL currently has under its existing agreements with the Company and accordingly the rights and obligations of the Company and the Funds with respect to the Depositary and Administrator will not be impacted. The business operations of JPMBL will be carried on without interruption by a locally fully passported, Luxembourg based branch of JPMSE (i.e. JPMSE Luxembourg) and the duties and obligations of JPMBL as stated in the Hong Kong offering documents and/or the constitutive documents of the Company and the Funds will be taken up by JPMSE Luxembourg as of the Effective Date. There will be no changes to the scope of services provided to the Company and the Funds, and no change in the level of fees payable by the Company and the Funds to the Depositary and Administrator. The address and contact details of the Depositary and Administrator will remain the same, and the personnel, functions and internal control measures of JPMSE Luxembourg will be substantially the same as those of JPMBL currently.

Save as disclosed above, there will be no other change in the operation or manner in which the Company and the Funds are being managed. There will be no impact on the features and risks applicable to the Company and the Funds. There will be no change to the fee level / cost in managing the Company and the Funds. The changes will not materially prejudice the shareholders' rights or interests. All costs (including the legal and other administrative costs) associated with the changes to the Company and the Funds above will be borne by Schroder Investment Management (Europe) S.A., the Company's management company.

The Hong Kong offering documents of the Company and the Funds will be revised to reflect the above change and will be available free of charge at [www.schroders.com.hk](http://www.schroders.com.hk)<sup>2</sup> or upon request from the Hong Kong Representative of the Company and the Funds, Schroder Investment Management (Hong Kong) Limited.

### **Options available to investors**

We hope that you will choose to remain invested in the Funds following these changes, but if you do wish to redeem your holding in the Funds before the changes become effective, you may do so at any time up

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<sup>2</sup> This website has not been reviewed by the SFC.

to and including the dealing cut-off at 5:00 p.m. Hong Kong time on 21 January 2022. Please ensure that your redemption instruction reaches the Hong Kong Representative before this deadline. We will execute your redemption instructions in accordance with the provisions of the Hong Kong offering documents of the Company and the Funds. Local agents might also have a local dealing cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach the Hong Kong Representative before the dealing cut-off at 5:00 p.m. Hong Kong time on 21 January 2022.

### **Enquiries**

If you have any questions or would like more information, please contact your usual professional advisor or the Hong Kong Representative at Level 33, Two Pacific Place, 88 Queensway, Hong Kong or calling the Schroders Investor Hotline on (+852) 2869 6968.

The Board of Directors

## **Appendix A**

1. All China Equity
2. Asian Bond Total Return
3. Asian Dividend Maximiser
4. Asian Equity Yield
5. Asian Local Currency Bond
6. Asian Opportunities
7. Asian Smaller Companies
8. Asian Total Return
9. BRIC (Brazil, Russia, India, China)
10. China Opportunities
11. Emerging Asia
12. Emerging Europe
13. Emerging Markets
14. Emerging Markets Debt Absolute Return
15. Emerging Markets Multi-Asset (formerly known as Emerging Multi-Asset Income)
16. EURO Bond
17. EURO Corporate Bond
18. EURO Equity
19. EURO Government Bond
20. EURO Liquidity
21. EURO Short Term Bond
22. European Dividend Maximiser
23. European Large Cap
24. European Smaller Companies
25. European Value
26. Frontier Markets Equity
27. Global Bond
28. Global Cities
29. Global Climate Change Equity
30. Global Corporate Bond
31. Global Credit Income
32. Global Dividend Maximiser
33. Global Emerging Market Opportunities
34. Global Energy
35. Global Equity Alpha
36. Global Equity
37. Global Equity Yield
38. Global Gold
39. Global High Yield
40. Global Inflation Linked Bond
41. Global Multi-Asset Income
42. Global Smaller Companies
43. Global Sustainable Growth
44. Global Target Return
45. Greater China
46. Hong Kong Dollar Bond
47. Hong Kong Equity
48. Indian Equity
49. Japanese Equity

- 50. Japanese Opportunities
- 51. Japanese Smaller Companies
- 52. Latin American
- 53. Middle East
- 54. Multi-Asset Growth and Income
- 55. QEP Global Active Value
- 56. QEP Global Quality
- 57. Strategic Bond
- 58. Taiwanese Equity
- 59. UK Equity
- 60. US Dollar Bond
- 61. US Dollar Liquidity
- 62. US Large Cap
- 63. US Small & Mid-Cap Equity
- 64. US Smaller Companies

Issuer: Schroder Investment Management (Europe) S.A.

April 2022

***This statement provides you with key information about this product.  
This statement is a part of the offering document.  
You should not invest in this product based on this statement alone.***

### Quick facts

<b>Management company:</b>	Schroder Investment Management (Europe) S.A.			
<b>Investment manager:</b>	Schroder Investment Management Australia Limited, located in Australia, internal delegation			
<b>Sub-investment manager(s):</b>	<p>Schroder Investment Management Limited, located in the United Kingdom, internal delegation</p> <p>Schroder Investment Management North America Inc., located in the United States of America, internal delegation</p>			
<b>Depositary:</b>	J.P. Morgan Bank Luxembourg S.A.			
<b>Ongoing charges over a year*:</b>	Class A HKD Acc	1.57%	Class A USD Acc	1.57%
	Class A USD Dis MF	1.57%	Class A USD Dis MV	1.57%
	Class A EUR Hedged Acc	1.60%	Class A HKD Dis MF	1.57%
	Class A EUR Hedged Dis MF	1.60%	Class A AUD Hedged Dis MFC	1.60%
	Class A RMB Hedged Acc	1.60%	Class A RMB Hedged Dis MFC	1.60%
<b>Dealing frequency:</b>	Daily			
<b>Base currency:</b>	USD			
<b>Dividend policy:</b>	<p>A, A1 and D Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund.</p> <p>A, A1 and D Distribution share classes – The board of directors generally has discretion as to whether or not to make any distribution save for the Distribution share classes with fixed dividend policy which are subject to the disclosures below. This distribution frequency and attributes are indicated in the share class designation as follows:</p> <p>M = monthly, Q = quarterly, S = semi-annual, A = annual,</p> <p>Currency carry<sup>&amp;</sup>: C</p> <p>Distributions may be paid out of capital and reduce the fund's net asset value.</p> <p>In respect of Distribution share classes with fixed dividend policy, the distribution amount per share is calculated as follows: dividend rate ÷ distribution frequency over a year × net asset value per share on the record date. Details of the Distribution share classes with fixed dividend policy are set out below:</p>			

Fixed Distribution Share Class	Currency	Distribution Frequency over a year	Dividend Rate
Class A USD Dis MF	USD	Monthly (12)	5.0% per annum
Class A HKD Dis MF	HKD	Monthly (12)	5.0% per annum
Class A EUR Hedged Dis MF	EUR	Monthly (12)	5.0% per annum

Investors should note that a positive distribution yield does not imply a positive return. The board of directors will periodically review fixed distribution share classes and reserves the right to make changes.

**Financial year end of this fund:** 31 December

**Minimum investment:** A, A1 and D share classes: Initial – EUR1,000 or USD1,000 (or equivalent); Subsequent investment – EUR1,000 or USD1,000 (or equivalent)

\* The ongoing charges figure is based on the expenses for the year ended 31 December 2021. This figure may vary from year to year.

& This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged share class is higher than the fund's base currency interest rate. Consequently when the interest rate of a currency hedged share class is lower than the fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the fund's investment objective or investment policy.

Note: As of the date of this document, Class A1 and Class D shares of the fund are not being offered to the public in Hong Kong.

## What is this product?

This is a sub-fund of Schroder International Selection Fund, a mutual fund domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier.

## Objectives and investment strategy

### Investment Objective

The fund aims to provide capital growth and income of ICE BofA 3 Month US Treasury Bill Index +5% per annum before fees have been deducted over rolling three year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk.

### Investment Policy

The fund is actively managed and invests directly or indirectly (through open-ended investment funds and derivatives) in equities and equity related securities, fixed and floating rate securities (issued by governments, government agencies, supra-nationals and companies), mortgage-backed and asset-backed securities, convertible bonds, currencies and alternative asset classes such as real estate, infrastructure and commodity related transferable securities.

The fund may hold up to 40% of its assets in open-ended investment funds. However as the fund grows the investment manager expects the fund to hold less than 10% in open-ended investment funds.



The fund may invest in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The fund may also invest in money market investments and hold cash and under normal market conditions, the fund may not invest more than 50% of its net asset value in money market investments and cash.

It is the current intention of the investment manager that the fund will not invest more than 10% of its net asset value in securities issued by or guaranteed by any single country with a credit rating below investment grade.

The fund may invest up to 20% of its net asset value in debt instruments with loss-absorption features (e.g. contingent convertible bonds, Additional Tier 1 and Tier 2 capital notes, senior and senior non-preferred notes, bail-in bonds, capital security bonds, subordinated Tier 2 capital notes, subordinated Additional Tier 1 capital notes and subordinated Lower Tier 2 capital notes). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

Under exceptional circumstances (e.g. market crash or major crisis), the fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.

The fund maintains a higher overall sustainability score than a bespoke asset-weighted blend\* of the MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Barclays Global Aggregate Corporate Bond Index (hedged to USD), Barclays Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index - EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), based on the investment manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section of the Fund Details, as set out in Appendix III of the Prospectus.

\*The blend will evolve over time in line with the actual asset allocation of the fund.

The fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the fund's webpage, accessed via <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre><sup>1</sup>.

The fund may use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Where the fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the fund may invest according to its investment objective and investment policy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 40% and is expected to remain within the range of 0% to 20% of the net asset value. In certain circumstances this proportion (i.e. the range of 0% to 20% of the net asset value) may be higher.

Derivatives may be used to gain exposure to a wide range of asset classes including, but not limited to, currencies, real estate, infrastructure and commodities. Such derivatives include, but are not limited to, over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

The fund will have no or limited Renminbi (RMB) denominated underlying investments.

### Benchmark

The fund's performance should be assessed against its target benchmark, being to achieve a return of ICE BofA 3 Month US Treasury Bill Index +5% before fees have been deducted. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the fund.

<sup>1</sup> This website has not been reviewed by the SFC.

## Use of derivatives / investment in derivatives

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

## What are the key risks?

**Investment involves risk. Please refer to the offering document for details including the risk factors.**

### 1. Equity investment risk

Investment in equity securities is subject to the risk that the market value of the stocks may go down as well as up due to numerous factors such as changes in investment sentiment, political environment, economic environment, issuer-specific factors, regional or global economic instability, currency and interest rate fluctuations. If the market value of the stocks go down the net asset value of the fund may be adversely affected.

### 2. Risks relating to investment in investment funds

- The fund may invest in other investment funds which may or may not be regulated by the SFC. In addition to the expenses and charges charged by the fund, investors should note that there are additional costs involved when investing into these investment funds, including fees and expenses charged by the investment manager of these investment funds as well as fees payable by the fund during its subscription to or redemption from these investment funds.
- There can be no assurance that (i) the liquidity of the investment funds will always be sufficient to meet redemption request as and when made; and (ii) investment objective and strategy will be successfully achieved despite the due diligence procedures undertaken by the investment manager and the selection and monitoring of the investment funds. These factors may have adverse impact on the fund and its investors.

### 3. Risk relating to investment in debt securities

- **Credit and counterparty risk** – Investment in debt securities is subject to the credit/default risk of the issuer which may also adversely affect the settlement of the securities.
- **Interest rate risks** – Investment in the fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- **Credit ratings risk** – Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- **Credit downgrading risk** – The credit rating of debt securities or their issuers may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager may not be able to dispose of such securities immediately and the fund may therefore be subject to additional risk of loss.
- **Liquidity and volatility risk** – Securities not listed or rated or actively traded may have low liquidity and higher volatility. The prices of such securities may be subject to fluctuations. The bid and offer spread of their price may be high and the fund may therefore incur significant trading costs and may even suffer losses when selling such instruments.
- **Valuation risk** – Valuation of the fund's investment may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

#### 4. Sovereign debt risk

Investment in sovereign debt obligations issued or guaranteed by governments or their agencies of certain developing countries and certain developed countries may expose the fund to political, social and economic risks. A government entity's willingness or ability to repay principal and interest due in a timely manner may be affected by various factors. In the event that a government entity defaults on its sovereign debt, holders of sovereign debt, including the fund, may be requested to participate in the rescheduling of such debt and to extend further loans to the relevant government entity. The fund may suffer significant losses in such events.

#### 5. Derivatives

The fund may use derivatives to meet its specific investment objective. There is no guarantee that the performance of derivatives will result in a positive effect for the fund. Derivative exposure may lead to a high risk of significant capital loss. Risks associated with derivatives include credit risk and counterparty risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risks and hedging risk. The leverage element/component of derivatives can result in a loss significantly greater than the amount invested in the derivatives by the fund. There is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result. In adverse situations, the use of hedging instruments may become ineffective in hedging and the fund may suffer significant losses.

#### 6. Risks relating to distributions

- For distribution share classes with a general dividend policy, expenses will be paid out of capital rather than out of gross income. The amount of distributable income therefore increases and the amount so increased may be considered to be dividend paid out of capital; capital growth will be reduced and in periods of low growth capital erosion may occur.
- Distribution share classes with a fixed dividend policy will distribute the dividends based on a fixed amount or fixed percentage of the net asset value per share. This may result in share classes with fixed distributions either paying out both income and capital in distribution payments, or not substantially distributing all the investment income which a share class has earned.
- Investments in distribution share classes with fixed dividend policy are not an alternative to a savings account or fixed-interest paying investment. The percentage of distributions paid by distribution share classes with fixed dividend policy is unrelated to expected or past income or returns of these share classes or the fund. The distribution can thus be higher or lower than the income and return that were effectively realised.
- Distribution share classes with fixed dividend policy will continue to distribute in periods that the fund has negative returns or is making losses, which further reduces the net asset value of the distribution Share Classes with fixed dividend policy. In extreme circumstances, investors may not be able to get back the original investment amount.
- Investors should note that a positive distribution yield does not imply a positive return. Distribution share classes with a fixed dividend policy do not distribute a fixed amount and the constant percentage of distribution results in higher absolute distributions when the net asset value of the relevant Distribution share classes with fixed dividend policy is high, and lower absolute distributions when the net asset value of the relevant distribution share classes with fixed dividend policy is low.
- **You should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the net asset value per share.**
- The distribution amount and net asset value of the currency hedged share class may be adversely affected by differences in the interest rates of the reference currency of the currency hedged share classes and the fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-currency hedged share classes.

**7. Risks relating to hedging and the hedged classes**

- In respect of the share classes which the management company of the fund has the ability to fully hedge the shares of such share classes in relation to the fund currency, currency exposures or currency hedging transactions within the fund's portfolio will not be considered. The aim of a currency hedged share class is to provide you with the performance returns of the fund's investments by reducing the effects of exchange rate fluctuations between the fund currency and the reference currency. However there is no assurance that the hedging strategies employed will be effective in fully eliminating the currency exposure to the reference currency thereby delivering performance differentials that are reflective only of interest rate differences adjusted for fees.
- Where undertaken, the effects of this hedging will be reflected in the net asset value and, therefore, in the performance of such share class. Similarly, any expenses arising from such hedging transactions will be borne by the share class in relation to which the expenses have been incurred.
- It should be noted that, where relevant, these hedging transactions may be entered into whether the reference currency is declining or increasing in value relative to the relevant fund currency and so, where such hedging is undertaken it may substantially protect investors in the relevant share class against a decrease in the value of the fund currency relative to the reference currency, but it may also preclude investors from benefiting from an increase in the value of the fund currency.

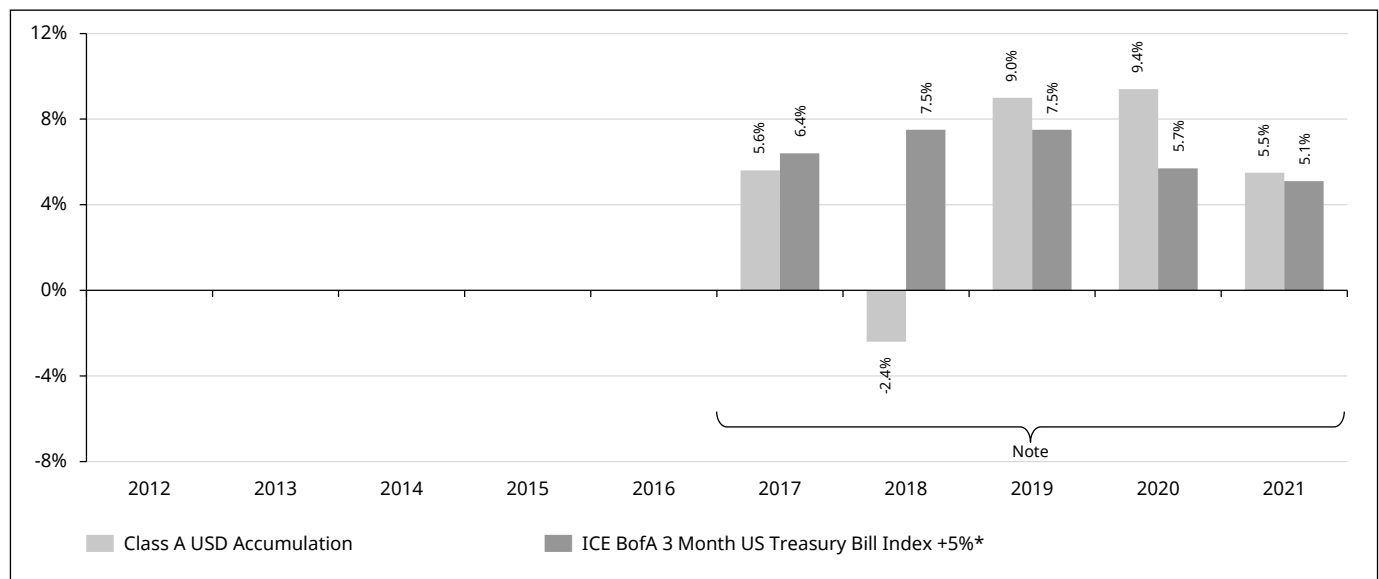
**8. Currency risks**

Assets and share classes may be denominated in currencies other than USD and some may not be freely convertible. The fund may be adversely affected by changes in foreign exchange rates and exchange rate controls of the currencies in which securities are held, the reference currencies of the share classes and the US Dollar. This exposes all share classes of the fund to exchange rate fluctuations and currency risk. It may not be practicable or possible to hedge against such foreign exchange/currency risk exposure.

**9. RMB Currency Risk and RMB share classes related risk**

- RMB is currently not freely convertible and is subject to foreign exchange control policies and restrictions.
- There can be no assurance that RMB will not be subject to depreciation. Any depreciation of RMB could adversely affect the value of investor's investment in share classes denominated in RMB.
- Share classes denominated in RMB will be valued with reference to offshore RMB ("CNH") rather than onshore RMB ("CNY"). While CNH and CNY represent the same currency, they are traded at different rates. Any divergence between CNH and CNY may adversely impact investors.
- Non-RMB based investors in share classes denominated in RMB may have to convert HK dollar or other currency(ies) into RMB when investing in share classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or dividend payment (if any) back to HK dollar or such other currency(ies). Investors will incur currency conversion costs and you may suffer losses depending on the exchange rate movements of RMB relative to HK dollar or such other currencies.
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

## How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the fund's Class A USD Accumulation increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Target benchmark: ICE BofA 3 Month US Treasury Bill Index +5%\*
- Fund launch date: 2016
- Class A USD Accumulation launch date: 2016
- The management company views the Class A USD Accumulation, being the retail share class denominated in the base currency of the fund, as the most appropriate representative share class of the fund.

Note: The performance of these years was achieved under circumstances that no longer apply. During these years, there was material change(s) to the fund, namely, changes of investment objective and policy, change of investment delegates and reduction of fee(s).

\* The target benchmark of the fund, as disclosed in the Hong Kong offering documents of the fund (comprising the Prospectus, Hong Kong Covering Document and Product Key Facts Statement of the fund) has been changed with effect from 30 July 2021.

## Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the fund.

Fee	What you pay		
Share class	A	A1	D
<b>Subscription fee (Initial charge)</b>	Up to 4.00% of the total subscription amount	Up to 3.00% of the total subscription amount	Nil
<b>Switching fee (Switching charge)</b>	Up to 1.00% of the value of the shares to be switched		
<b>Redemption fee (Redemption charge)</b>	Nil		

### Ongoing fees payable by the fund

The following expenses will be paid out of the fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the fund's value)		
Share class*	A	A1	D
<b>Management fee (Annual Management Charge)</b>	1.25%	1.25%	1.25%
<b>Depository fee</b>	Up to 0.005%		
<b>Performance fee</b>	Nil		
<b>Administration fee</b>	Up to 0.25%		
<b>Distribution charge (Annual Distribution Charge)</b>	Nil	0.50%	1.00%
<b>Custody safekeeping fee</b>	Up to 0.3%		
<b>Transaction fees (charged by the Depository)</b>	Up to USD75 per transaction		
<b>Fund accounting and valuation fees</b>	Up to 0.0083%		

\* Where currency hedged share class is offered, a hedging charge of up to 0.03% per annum of the net asset value per share will be borne by the currency hedged share class in relation to which the charge is incurred. The hedging charge will be payable to the management company, which provides the currency hedging service.

Note: As of the date of this document, Class A1 and Class D shares of the fund are not being offered to the public in Hong Kong.

### Other fees

You may have to pay other fees when dealing in the shares of the fund. Please refer to the offering document for fees payable by the fund.

### Additional information

- You generally buy and redeem shares at the fund's relevant net asset value ("NAV") after Schroder Investment Management (Hong Kong) Limited receives your request, directly or via a distributor, in good order at or before 5pm HK time, being the fund's dealing cut-off time on each dealing day of the fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the fund's dealing cut-off time).
- A dividend calendar including details on the distribution frequency and the dividend calculation basis for all available distribution share classes and a composition of the dividend payments (i.e. the percentages of distribution being paid out of capital and net distributable income) for the last twelve months for each of these distribution share classes (i) with a variable distribution policy or (ii) with a fixed dividend policy and paying dividends out of capital are also available from the Schroder Investment Management (Hong Kong) Limited on request and from the Schroders' Internet site ([www.schroders.com.hk](http://www.schroders.com.hk)).
- Past performance information of other share classes offered to Hong Kong investors is available online at [www.schroders.com.hk](http://www.schroders.com.hk).
- The net asset value of this fund is calculated and the price of shares is published on each dealing day. They are available online at [www.schroders.com.hk](http://www.schroders.com.hk). This website has not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.