

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**")¹, 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

¹ 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:

Sub-Investment Managers / Sub-Delegates
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/>²). From the date of this notice, the above information would be published on www.schroders.com/en/lu/private-investor/gfc³.

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.hk⁴ or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

² This website has not been reviewed by the SFC.

³ This website has not been reviewed by the SFC.

⁴ 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

Relevant Fund	Investment Manager	Sub-Investment Manager(s)
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

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

October 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

Management company:	Schroder Investment Management (Europe) S.A.	
Investment manager:	Schroder Investment Management (Hong Kong) Limited, located in Hong Kong, internal delegation	
Depository:	J.P. Morgan SE – Luxembourg Branch	
Ongoing charges over a year:	Class A USD Acc	1.90%*
Dealing frequency:	Daily	
Base currency:	USD	
Dividend policy:	A Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund.	
Financial year end of this fund:	31 December	
Minimum investment:	A share classes: Initial – EUR1,000 or USD1,000 (or equivalent); Subsequent investment – EUR1,000 or USD1,000 (or equivalent)	

* The ongoing charges figure is estimated (because the share class is recently launched) based on the annualized expenses of another share class of the fund over a 12-month period. The actual ongoing charges figure of the relevant share class may be different from the estimate and may vary from year to year.

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 in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period^{Note} by investing in equity and equity related securities of Asia Pacific ex Japan markets companies which meet the investment manager's sustainability criteria.

^{Note} For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the fund's performance.

Investment Policy

The fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in Asia Pacific markets (excluding Japan) or companies which derive a significant proportion of their revenues or profits from the Asia Pacific ex Japan region which meet the investment manager's sustainability criteria.

The fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the investment manager's sustainability rating system. More details on the investment process used to achieve this can be found in the "Sustainability Criteria" section below.

The investment manager ensures that at least 90% of companies in the fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the fund's potential investment universe is excluded from the selection of investments. This universe is comprised of equity and equity related securities of companies in Asia Pacific ex Japan markets or companies which derive a significant proportion of their revenues or profits from the Asia Pacific ex Japan region.

The fund does not directly invest in certain activities, industries or groups of issuers which generate revenue above the limits listed as prescribed by the investment manager from time to time, including but not limited to from tobacco and controversial weapons. The respective limits and exclusion list may be updated from time to time. For further information, including the list of all excluded activities, please refer to the fund's webpage¹.

The fund invests in companies that have good governance practices, as determined by the investment manager's sustainability rating criteria (please see the "Sustainability Criteria" section below for more details).

The investment manager may also engage with companies held by the fund to challenge identified areas of weakness on sustainability issues. More details on the investment manager's approach to sustainability and its engagement with companies are available on the website².

The fund does not currently intend to invest 30% or more of the net asset value of the fund directly and indirectly in China A-Shares and China B-Shares. The fund may invest directly in China H-Shares. The fund may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Stock Connect (as defined below);
- the Qualified Foreign Investor ("QFI") Scheme;
- shares listed on the STAR Board and the ChiNext market (as defined below); and
- regulated markets.

¹ Accessed via <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre/> (this website has not been reviewed by the SFC).

² Accessed via <https://www.schroders.com/en/hk/retail-investors/sustainability/making-an-impact-through-sustainability> (this website has not been reviewed by the SFC).

The fund may invest directly in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively “Stock Connect”) (as further described in the section headed “Stock Connect” in the Hong Kong Covering Document), the Science and Technology Innovation Board of the Shanghai Stock Exchange (“STAR Board”) and the ChiNext market of the Shenzhen Stock Exchange (“ChiNext market”). Indirect exposure to China A-Shares may also be sought for the fund through investment in financial instruments such as China market access products and other funds with China access through QFI status.

The fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash (subject to the restrictions provided in Appendix I of the Prospectus).

The fund is not subject to any limitation on the portion of its net asset value that may be invested in any country in the Asia Pacific ex Japan region (including emerging market countries) or sector.

The fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.

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

Sustainability Criteria

The investment manager applies sustainability criteria when selecting investments for the fund.

The investable universe is assessed using a number of proprietary sustainability tools such as SustainEx and Asia CONTEXT, as well as external rating services.

Ongoing assessment of companies in bottom quintile

Companies that fall into the bottom quintile based on a combination of the investment manager’s overall sustainability score and external ratings (i.e. MSCI ESG scores) will not be eligible for inclusion in the first instance. However, if, based on proprietary analysis and ongoing engagement with a company, the investment manager believes that the company is taking concrete steps to transition out of business segments that have not met the sustainability criteria or to improve their relevant areas of weakness, the company may be deemed eligible for investment. The investment manager will conduct ongoing assessments on these companies’ improvement in their overall sustainability score and external ratings. In order to determine whether a company is on an improving trajectory, the investment manager will use analysis from Schroders’ proprietary sustainability tools.

Assessment of companies’ ESG factors’ materiality

The investment manager’s investment approach includes an analysis of ESG factors, which is integrated into its fundamental stock analysis. The investment manager assesses the materiality of ESG factors as they relate to the specifics of each company and evaluates those that are considered material to the sustainability of future earnings growth and as potential risk factors for a company.

Assignment of companies’ ESG scores based on stakeholder-based approach

Companies being considered for investment are also assessed on a stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Each company is assigned an ESG score based on this assessment, which is taken into account in terms of assessing the company’s overall attractiveness. Stocks that offer attractive risk-reward, taking into account their ESG assessment, are considered for inclusion in the fund.

Construction of portfolio and overall sustainability score

The fund's portfolio is then constructed so that the overall sustainability score of the portfolio would be higher than the overall sustainability score of the fund's target benchmark. The investment manager analyses a company's strengths and weaknesses using a wide range of sources. The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools, company filings and website, third party research, and expert networks. The investment manager also scrutinizes company sustainability reports and other disclosures, which is complemented by direct engagement with the company during the assessment process.

Benchmark

The fund's performance should be assessed against its target benchmark being to exceed the MSCI AC Asia Pacific ex Japan (Net TR) index ("Target Benchmark") and compared against the Morningstar Asia Pacific ex Japan Category ("Comparator Benchmark"). The fund's investment universe is expected to overlap to a limited extent with the components of the Target Benchmark. The Comparator Benchmark is only included for performance comparison purposes and does not determine how the investment manager invests the fund's assets. The investment manager invests on a discretionary basis and there are no restrictions on the extent to which the fund's portfolio and performance may deviate from the Target Benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the fund.

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. General investment risk

The fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the fund may suffer losses. There is no guarantee of the repayment of principal.

2. 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.

3. Risks relating to sustainable investment approach

- **Concentration risk:** The fund follows a sustainable investment approach, which may cause it to be overweight and/or underweight in certain sectors and thus perform differently than funds that have a similar objective but which do not incorporate sustainability investment criteria when selecting securities. The value of the fund will be more volatile than that of a fund having a more diverse portfolio of investments.

- **Subjective judgment in investment selection:** In pursuing the sustainable investment approach, the investment manager integrates certain environmental and social sustainability themes into the investment selection process, which involves analysis of potential investment based on certain “sustainability factors”. Such assessment by the investment manager is subjective in nature and therefore it is possible that the investment manager may have a different interpretation of what is sustainable compared to another manager which may lead to the fund investing in certain opportunities or foregoing investment opportunities when it might otherwise be advantageous to do so and/or selling securities due to their sustainable characteristics when it might be disadvantaged to do so.
- **Exclusion risk:** The use of exclusions may affect the Fund’s investment performance and, as such, the Fund may perform differently compared to similar funds that do not use such criteria. Environmental and social exclusion criteria used in the fund’s investment strategy may result in the fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their environmental and social characteristics when it might be disadvantageous to do so. As such, the application of exclusion criteria may restrict the ability of the fund to acquire or dispose of its investments at a price and time that it wishes to do so, and may therefore result in a loss to the fund.
- **Reliance on corporate data or third-party information:** When assessing a potential investment based on the fund’s sustainability criteria, the investment manager is dependent upon information and data from the security issuer and/or third-parties (which may include providers for research, reports, exclusions, ratings and/or analysis such as index providers and consultants). Such information or data may be incomplete, inaccurate or inconsistent. As a result, there is a risk that the investment manager may make an assessment of a security or issuers based on incorrect information. The lack of a standardized taxonomy may also affect the investment manager’s ability to measure and assess the environment and social impact of a potential investment.
- **Change in nature of investments:** The securities held by the fund may be subject to style drift which no longer meet the fund’s sustainability criteria after its investments. The investment manager may have to sell such security held by the fund at a disadvantageous price. This may lead to a fall in the value of the fund.

4. Concentrated geographical locations

The fund investing in concentrated geographical locations may be subject to a higher level of risks and may be more volatile comparing to a fund investing in a more diversified portfolio/strategy. The value of the fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant geographical locations.

5. Risks related to investment in the People’s Republic of China (the “PRC”)

Investing in the securities market in the PRC is subject to the risks specific to the PRC market including change in political, social or economic policy risk, liquidity and volatility risk, currency and exchange risk.

- **Change in political, social or economic policy risk** – The investment will be sensitive to any significant change in political, social or economic policy in the PRC which may adversely affect the capital growth and thus the fund performance.
- **Legal and regulatory risk** – The regulatory and legal framework for capital markets and joint stock companies in the PRC may not be as well developed as those of developed countries. PRC companies are required to follow the PRC accounting standards and practice which may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the fund.

- **Liquidity and volatility risk** – Compared with the choice available in other markets, there is a low level of liquidity in the A-Shares and B-Shares of the PRC markets. This could potentially lead to severe price volatility.
- **Currency and exchange risk** – The PRC government's control of currency conversion and exchange rates may adversely affect the operations and financial results of the companies invested in by the fund.
- **PRC taxation consideration** – The fund investing in securities issued by companies resident in the PRC are subject to dividend withholding tax but are not currently subject to capital gains tax in the PRC. The tax laws, regulations and practice in the PRC are inherently uncertain in respect of capital gains realised via Stock Connect or China market access products on the fund's investment in the PRC and liable to change without prior notice. They may also be changed with retrospective effect. Any increased tax liabilities on the fund may adversely affect the fund's value. Based on professional and independent tax advice, the fund does not currently make any provision for Chinese capital gains tax. If appropriate, a provision may be introduced for the fund to cover capital gains tax, withholding taxes or other taxes. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their shares in/from the fund.

6. Risks related to investments via the Stock Connect

The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, the fund's ability to invest in China A-Shares or access the PRC market through the programme will be adversely affected. In such event, the fund's ability to achieve its investment objective could be negatively affected.

7. Risks related to investments in China market access products

The fund may use China market access products (e.g. participatory notes) to gain exposure to China A-Shares indirectly. This involves additional risks including lack of a secondary market in such instruments, illiquidity of the underlying securities, difficulty in selling these instruments at times when the underlying markets are closed and counterparty default risk.

8. Risks related to investments in other funds with China access

- Investing in other funds may result in additional operating fees and expenses from the underlying funds.
- The fund may invest in other funds with China access through QFI status. Therefore, the fund is indirectly exposed to the risks associated with the QFI regime such as suspension or revocation of the QFI status, as well as repatriation and liquidity risks.

9. Emerging and less developed markets

- The fund may invest in emerging and less developed markets. Investing in emerging and less developed markets is subject to greater risks than investing in securities of developed countries and may involve special considerations not typically associated with investment in developed countries, such as ownership and custody risks, political and economic uncertainties and risks, market and settlement risks, liquidity and volatility risk, legal and regulatory risks, taxation risk, execution and counterparty risk, currency risk, and possible repatriation of investment income and capital, which may adversely affect the net asset value per share of the fund and investors may as a result suffer losses.
- In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

10. Smaller companies risk

The fund invests in smaller companies may fluctuate in value more than other funds and may be more vulnerable to adverse economic developments than those in larger companies. During periods where markets are falling, securities of smaller companies may become less liquid and experience short-term price volatility and wide spreads between dealing prices.

11. Derivatives

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.

12. Currency risks

Assets and share classes may be denominated in currencies other than USD and some may not be freely convertible. The net asset value of 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 USD. 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.

How has the fund performed?

Past performance is not shown as Class A USD Acc of the fund is newly set up for less than a full calendar year and there is insufficient data available to provide a useful indication of past performance to investors.

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
Subscription fee (Initial charge)	Up to 5.00% of the total subscription amount
Switching fee (Switching charge)	Up to 1.00% of the value of the shares to be switched
Redemption fee (Redemption charge)	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
Management fee (Annual Management Charge)	1.50%
Depositary fee	Up to 0.005%
Performance fee	Nil
Administration fee	Up to 0.25%
Distribution charge (Annual Distribution Charge)	Nil
Custody safekeeping fee	Up to 0.3%
Transaction fees (charged by the Depositary)	Up to USD75 per transaction
Fund accounting and valuation fees	Up to 0.0083%

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).
- 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. 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.