

Issuer: Schroder Investment Management (Hong Kong) Limited

March 2024

*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**

Manager:	Schroder Investment Management (Hong Kong) Limited
Sub-manager:	Schroder Investment Management (Singapore) Ltd, located in Singapore, internal delegation
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Ongoing charges over a year*:	0.28%
Dealing frequency:	Daily
Base currency:	USD
Dividend policy:	Dividend will not be distributed but will be reinvested into the fund.
Financial year end of this fund:	31 December
Minimum investment:	Initial - USD1,000; Subsequent investment - USD1,000

* The ongoing charges figure is based on the annualised expenses for the interim period ended 30 June 2023. This figure may vary from year to year.

What is this product?

This is a money market fund constituted in the form of a unit trust established under the laws of Hong Kong. The purchase of a unit in the fund is not the same as placing funds on deposit with a bank or deposit-taking company. The manager has no obligation to redeem units at the offer value and the fund is not subject to the supervision of the Hong Kong Monetary Authority.

Objectives and investment strategy

The fund aims to provide an investment medium for investors to enjoy the rates available from a managed portfolio of short term and high quality money market investments and seeks to offer returns in line with money market rates combined with a degree of security and ready availability of monies. The manager's policy will be to invest at least 70% of the fund's net asset value in a range of short-term deposits and high quality money market instruments and money market funds that are authorised by the SFC under 8.2 of the Code on Unit Trusts and Mutual Funds or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Money market instruments refer to securities normally dealt in on the money markets, for examples, government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptance etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.

Investments will be limited to US Dollar short-term deposits and US Dollar denominated high quality money market instruments with a remaining maturity of less than 397 days, or two years in the case of Government and other public securities, with a weighted average portfolio maturity not exceeding 60 days and a weighted average life not exceeding 120 days.

It is the manager's present intention to invest in a range of US Dollar short-term deposits and US Dollar denominated high quality money market instruments within the maturity limits mentioned above including:-

- deposits with banks and other financial institutions;
- floating rate certificates of deposit issued by banks and other financial institutions;
- fixed rate certificates of deposit issued by banks and other financial institutions;
- bills of exchange, commercial paper or notes issued by any body corporate which has (or the holding company of which has) capital and reserves in excess of USD15,000,000;
- bills of exchange, commercial paper or notes unconditionally guaranteed as to principal by any governmental or quasi-governmental institution.

The investment policy will be directed towards the acquisition of short-term deposits and high quality money market instruments which will earn an income for the fund in line with money market rates and to protect the unit value from fluctuations. Interest rates in the short term money market vary from day to day reflecting changes in the level of money available in the economy and expectations of interest rate trends. The rate of return to investors will therefore fluctuate with these changes.

Use of derivatives / investment in derivatives

The fund's net derivative exposure may be up to 50% of its net asset value. The fund may acquire financial derivative instruments for hedging purposes.

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. Money market fund

The issues and redemption of units of the fund is not regulated by the provisions of the Banking Ordinance, and is not equivalent to making or withdrawing a deposit with or from a bank or deposit-taking company and the fund is not subject to the supervision of the Hong Kong Monetary Authority.

Further, investment in the fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

3. Investment in the fund is not in the nature of a deposit in a bank account and is neither guaranteed nor protected. Investors may subject to capital loss.

The fund's investment in money market and fixed income instruments is subject to risks such as:

- **Interest rates risks**— Changes in market interest rates will affect the value of debt securities held by the fund. Generally, the market value decreases when interest rates rise and increases when interest rates fall.
- **Credit risk**— The fund may invest in securities that involve credit risk. Securities bearing a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than higher rated securities.
- **Counterparty and settlement risk**— The fund may be exposed to credit risk on the counterparties with whom they trade securities, and may also bear the risk of settlement default. The fund will be subject to the possibility of the insolvency, bankruptcy or default of such counterparty which could result in substantial losses to the fund.
- **Liquidity risk**— Not all securities or investments held by the fund will be listed, rated or actively traded and consequently liquidity may be low. The fund may encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.
- **Valuation risk**— Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, they may affect the net asset value calculation of the fund.
- **Sovereign debt risk**— The fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the fund to participate in restructuring such debts. The fund may suffer significant losses when there is a default of sovereign debt issuers.
- **Downgrading Risk**— There is a risk that investment grade securities that the fund invests in may be downgraded due to adverse market conditions. In the event of a down-grading of the credit rating of a security or an issuer relating to a security that the fund invests in, the value of the fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- **Credit rating 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.

4. Concentration risk

The fund will invest primarily in US Dollar instruments. The fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy.

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 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.
- Fund launch date: 1991

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, reduction of fee(s).

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 units of the fund.

Fee	What you pay
Subscription fee (Initial charge)	Nil
Switching fee	Nil
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 net asset value)
Management fee *	Up to 0.25%
Trustee fee **	0.0425% (Subject to a minimum fee of USD20,000 per annum)
Performance fee	Not applicable
Administration fee (Service Provider's costs)	0.02%

* The fee may be increased, subject to a maximum of 0.75% p.a., by 3 months' notice to unitholders.

** The fee may be increased, subject to a maximum of 0.25% p.a., by 3 months' notice to unitholders.

Other fees

You may have to pay other fees when dealing in the units of the fund. The aggregate of all fees and expenses payable out of the fund accruing on any day will not exceed 1.25% p.a. of the gross value of the fund on that day unless the excess results from any tax levied or any change in law. Please refer to "Expenses" of the offering document.

Additional information

- You generally buy and redeem units at the fund's relevant net asset value ("NAV") after Schroder Investment Management (Hong Kong) Limited or the Service Provider receives your request, directly or via a distributor, in good order at or before 12 noon 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 units is published on each dealing day. They are also 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.