Schroders

Schroder International Selection Fund
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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.

26 July 2023

Dear Shareholder,

Schroder International Selection Fund (the "Company") – changes to the distribution policy of certain share classes (the "Share Classes")

We are writing to inform you that following a recent review, we have decided to change the distribution policy for some of the Share Classes of the following sub-funds (together, the "**Funds**"):

- **Asian Bond Total Return**
- **Asian Equity Yield**
- **Emerging Markets Multi-Asset**
- **Global Corporate Bond**
- **Global Equity Yield**
- **Global High Yield**
- **Global Multi-Asset Income**
- **Hong Kong Dollar Bond**
- **Sustainable Multi-Asset Income**
- **US Dollar Bond**

The changes to the distribution policy for each of the affected Share Classes (as well as the names of certain Share Classes of Hong Kong Dollar Bond and Asian Bond Total Return) are listed in the appendix of this letter. Please refer to the Hong Kong offering documents of the Company for the relevant risks relating to distribution share classes with fixed distribution policy.

The changes will come into effect for the monthly distributions due to be paid on **11 September 2023** and the quarterly distributions due to be paid on **11 October 2023** (the "**Effective Date**"). This will be based on the number of shares held by shareholders in the relevant Share Classes on the record date **30 August 2023** for the monthly distributions and **27 September 2023** for the quarterly distributions, and will apply to all distributions going forward.

Background and rationale

We periodically review the distribution Share Classes and reserve the right to make changes. For example, if the investment income after expenses is higher than the target distribution, we may declare a higher amount to be distributed. Equally, we may deem it is appropriate to declare a dividend lower than the target distribution.

The Share Classes fees will remain unchanged and the costs of making these changes including regulatory and shareholder communication costs will be borne by Schroder Investment Management (Europe) S.A. which is the Company's management company.

Please note that distributions may be paid out of capital and reduce the relevant Fund's net asset value. Please refer to the Hong Kong offering documents of the Company for the relevant risks relating to distributions paid out of capital. The information on the dividend compositions of the Share Classes will continue to be available from Schroder Investment Management (Hong Kong) Limited, i.e. the Hong Kong Representative of the Company, on request and on the Schroders' Internet site (www.schroders.com.hk[1]).

Save as disclosed above, (i) all other key features of the Funds (including fees chargeable in respect of the Funds as stated in the Hong Kong offering documents) will remain the same; (ii) there will be no change to the risks applicable to the Funds; and (iii) there will also be no material change in the operation and/or manner in which the Funds are being managed as a result of the changes set out above. The changes are not expected to materially prejudice the rights or interests of existing investors.

The Hong Kong offering documents of the Company will be revised to reflect the relevant changes and will be available free of charge at www.schroders.com.hk[2] or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

Redeeming or switching your shares to another Schroders fund

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 or to switch into another of the Company's sub-funds authorized by the Securities and Futures Commission ("**SFC**")[3] or share classes of the Funds before the Effective Date you may do so at any time up to and including the dealing cut-off at 5:00 p.m. Hong Kong time on 30 August 2023 for the monthly distributions and 27 September 2023 for the quarterly distributions.

Please ensure that your redemption or switch instruction reaches the Hong Kong Representative before this deadline. We will execute your redemption or switch 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 intermediaries 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 30 August 2023 for the monthly distributions and 27 September 2023 for the quarterly distributions.

[1] This website has not been reviewed by the SFC.
[2] This website has not been reviewed by the SFC.
[3] 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.

We advise shareholders to read the Funds' latest product key facts statements for the relevant Share Classes and the Company's offering documents, which are available at www.schroders.com.hk[4].

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

[4] This website has not been reviewed by the SFC.

Appendix

List of Share Classes with changing distribution policies of the Funds.

A. Changes to distribution rates

Asian Equity Yield

Share class	Share class currency	Current distribution rate per annum	Future distribution rate per annum
A AUD Hedged Dis MFC*	AUD Hedged	3.00% per annum paid monthly **with currency carry***	**3.50% per annum paid monthly with currency carry***
A USD Dis MF	USD	3.00% per annum paid monthly	**3.50% per annum paid monthly**
A1 USD Dis MF	USD	3.00% per annum paid monthly	**3.50% per annum paid monthly**

Emerging Markets Multi-Asset

Share class	Share class currency	Current distribution rate per annum	Future distribution rate per annum
A AUD Hedged Dis MFC*	AUD Hedged	4.00% per annum paid monthly **with currency carry***	**4.50% per annum paid monthly with currency carry***
A EUR Hedged Dis QF	EUR Hedged	4.00% per annum paid quarterly	**4.50% per annum paid quarterly**
A HKD Dis MF	HKD	4.00% per annum paid monthly	**4.50% per annum paid monthly**
A USD Dis MF	USD	4.00% per annum paid monthly	**4.50% per annum paid monthly**
A1 USD Dis MF	USD	4.00% per annum paid monthly	**4.50% per annum paid monthly**

Global Corporate Bond

Share class	Share class currency	Current distribution rate per annum	Future distribution rate per annum
A RMB Hedged Dis MFC*	RMB Hedged	3.00% per annum paid monthly **with currency carry***	**6.00% per annum paid monthly with currency carry***
A EUR Hedged Dis QF	EUR Hedged	3.00% per annum paid quarterly	**3.50% per annum paid quarterly**
A1 EUR Hedged Dis QF	EUR Hedged	3.00% per annum paid quarterly	**3.50% per annum paid quarterly**

Global Equity Yield

Share class	Share class currency	Current distribution rate per annum	Future distribution rate per annum
A AUD Hedged Dis MFC*	AUD Hedged	3.00% per annum paid monthly **with currency carry***	**3.50% per annum paid monthly with currency carry***
A HKD Dis MF	HKD	3.00% per annum paid monthly	**3.50% per annum paid monthly**
A USD Dis MF	USD	3.00% per annum paid monthly	**3.50% per annum paid monthly**
A1 USD Dis MF	USD	3.00% per annum paid monthly	**3.50% per annum paid monthly**

Global High Yield

Share class	Share class currency	Current distribution rate per annum	Future distribution rate per annum
A1 AUD Hedged Dis MFC*	AUD Hedged	6.00% per annum paid monthly **with currency carry***	**9.00% per annum paid monthly with currency carry***
A1 USD Dis MF	USD	6.00% per annum paid monthly	**9.00% per annum paid monthly**

Global Multi-Asset Income

Share class	Share class currency	Current distribution rate per annum	Future distribution rate per annum
A AUD Hedged Dis MFC*	AUD Hedged	5.00% per annum paid monthly **with currency carry***	**5.50% per annum paid monthly with currency carry***
A RMB Hedged Dis MF	RMB Hedged	5.00% per annum paid monthly	**5.50% per annum paid monthly**
A GBP Hedged Dis MF	GBP Hedged	4.50% per annum paid monthly	**5.00% per annum paid monthly**

Sustainable Multi-Asset Income

Share class	Share class currency	Current distribution rate per annum	Future distribution rate per annum
A EUR Dis MF	EUR	4.00% per annum paid monthly	**4.50% per annum paid monthly**

US Dollar Bond

Share class	Share class currency	Current distribution rate per annum	Future distribution rate per annum
A AUD Hedged Dis MFC*	AUD Hedged	3.00% per annum paid monthly **with currency carry***	**4.50% per annum paid monthly with currency carry***
A RMB Hedged Dis MFC*	RMB Hedged	3.00% per annum paid monthly **with currency carry***	**4.50% per annum paid monthly with currency carry***
A EUR Hedged Dis QF	EUR Hedged	3.00% per annum paid quarterly	**3.50% per annum paid quarterly**
A HKD Dis MF	HKD	3.00% per annum paid monthly	**4.50% per annum paid monthly**
A USD Dis MF	USD	3.00% per annum paid monthly	**4.50% per annum paid monthly**
A USD Dis QF	USD	3.00% per annum paid quarterly	**4.50% per annum paid quarterly**
A1 EUR Hedged Dis QF	EUR Hedged	3.00% per annum paid quarterly	**3.50% per annum paid quarterly**

B. Changes from variable to fixed distribution policy

Asian Bond Total Return

Share class	Share class currency	Current distribution policy per annum	Future distribution policy per annum	New share class name (following change to distribution policy)
A HKD Dis MV	HKD	Variable paid monthly	**5.50% per annum paid monthly**	**A HKD Dis MF**

A USD Dis MV	USD	Variable paid monthly	**5.50% per annum paid monthly**	**A USD Dis MF**
A1 USD Dis MV	USD	Variable paid monthly	**5.50% per annum paid monthly**	**A1 USD Dis MF**

Hong Kong Dollar Bond

Share class	**Share class currency**	**Current distribution policy per annum**	**Future distribution policy per annum**	**New share class name (following change to distribution policy)**
A HKD Dis MV	HKD	Variable paid monthly	**4.50% per annum paid monthly**	**A HKD Dis MF**

***** 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.

^According to the provisions of the Company's prospectus, distribution Share Classes may be issued with different distribution frequencies or attributes which are designated as follows:
Distribution frequency: M = monthly, Q = quarterly, S = semi-annual, A = annual
Distribution type: F = fixed or V = variable

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PRODUCT KEY FACTS

Schroder International Selection Fund – Global High Yield

Issuer: Schroder Investment Management (Europe) S.A. **April 2023**

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 North America Inc., located in the United States of America, internal delegation
Sub-investment manager(s) and sub-delegate(s), if any:	Internal delegation to one or more sub-investment manager(s) (if any) and sub-delegate(s) (if any) as described in the section headed "Sub-Investment Managers and Sub-Delegates" in the Hong Kong Covering Document. The list of the latest sub-investment manager(s) and sub-delegate(s) of the fund will be provided on request and shall be further disclosed in the periodic reports of Schroder International Selection Fund.
Depositary:	J.P. Morgan SE – Luxembourg Branch

Ongoing charges over a year*:

Class A USD Acc	1.29%	Class A1 USD Acc	1.74%
Class A EUR Hedged Acc	1.32%	Class A USD Dis MV	1.29%
Class A1 EUR Hedged Acc	1.77%	Class A1 USD Dis MF	1.74%
Class A1 AUD Hedged Dis MFC	1.77%	Class A EUR Hedged Dis QV	1.32%
Class A1 EUR Hedged Dis QV	1.77%	Class A HKD Dis MV	1.29%
Class A AUD Hedged Dis MVC	1.32%	Class A EUR Acc	1.29%
Class A USD Dis MF	1.11%	Class A AUD Hedged Dis MFC	1.14%

Dealing frequency:	Daily
Base currency:	USD
Dividend policy:	A and A1 Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund. A and A1 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: M = monthly, Q = quarterly, S = semi-annual, A = annual, Currency carry[#]: C Distributions may be paid out of capital and reduce the fund's net asset value.

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:

Fixed Distribution Share Class	Currency	Distribution Frequency over a year	Dividend Rate
Class A1 USD Dis MF	USD	Monthly (12)	6.00% per annum
Class A USD Dis MF	USD	Monthly (12)	9.00% 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 and A1 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 2022. 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.

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 income and capital growth in excess of the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap after fees have been deducted over a three to five year period[Note] by investing in below investment grade fixed and floating rate securities issued worldwide.

[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. The weighting of all constituents of the index is capped at 2% to ensure diversification.

Investment Policy

The fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate 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 securities may be denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide.

The investment manager will assess credit risks of fixed income instruments based on quantitative and qualitative fundamentals, including without limitation the issuer's leverage, operating margin, return on

capital, interest coverage, operating cash flows, industry outlook, firm's competitive position and corporate governance issue. For this purpose, if the relevant security does not itself have a credit rating, then reference can be made to the credit rating of the issuer of the security. If both the security and the relevant issuer are not rated, then the security will be classified as unrated.

The fund may invest up to 10% of its assets in contingent convertible bonds.

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

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 may invest less than 30% of its net asset value in debt instruments issued by financial institutions with loss-absorption features (e.g. contingent convertible bonds, Additional Tier 1, Tier 1 and Tier 2 capital notes, senior non-preferred notes, senior and subordinated bonds issued by holding companies of a financial institution). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The fund may invest up to 10% of its net asset value in insurance-linked securities ("ILS"), such as catastrophe bonds, issued outside Hong Kong and/or any ILS-related products, such as derivatives or structured products whose returns are linked to the performance of any ILS and collective investment schemes whose investment objective or principal investment strategy is investing in ILS. For the avoidance of doubt, the fund will not invest in ILS issued in Hong Kong and their repackaged products and derivatives.

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, long and short, with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. The fund may use leverage. Derivatives may be employed for instance to generate additional income from exposure to credit risk in purchasing or selling protection through credit default swaps, adjusting the fund's duration through the tactical use of interest related derivatives, generating additional income through inflation or volatility linked derivatives or increasing its currency exposure through the use of currency related derivatives. Derivatives could also be employed to create synthetic instruments. Such derivatives include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

The fund maintains a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap, based on the investment manager's rating criteria. 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.

Benchmark

The fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap ("Target Benchmark") and compared against the Morningstar Global High Yield Category ("Comparator Benchmark"). The fund's investment universe is expected to overlap materially 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 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. **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.
   - **Below investment grade and unrated debt securities**— Investments in fixed income securities below investment grade or unrated are generally subject to higher degree of counterparty risk, credit risk, volatility risk, liquidity risk and risk of loss of principal and interest than higher rated securities.
   - **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 downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager may not 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.

2. **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.

3. **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. The leverage element/component of derivatives can result in a loss significantly greater than the amount invested in the derivatives by the fund. Derivative exposure may lead to a high risk of significant capital loss. Risks associated with derivatives include:
   - **Credit risk and Counterparty risk**— The fund will be subject to the risk of the inability of any counterparty through or with which the fund conducts the derivative transactions to perform its obligations, whether due to insolvency, bankruptcy or other causes.

- **Liquidity risk**— There may be possible absence of a liquid secondary market for any particular derivatives at any time. The fund may be unable to sell illiquid derivatives at an advantageous time or price and results in a reduction of returns.
- **Valuation risk**— The fund is subject to the risk of mispricing or improper valuation of derivatives.
- **Volatility risk**— The fund is subject to the risk of higher volatility of the returns as derivatives usually have a leverage component.
- **Over-the-counter ("OTC") transaction risks**— Derivatives traded in OTC markets may be more volatile and less liquid. Its prices may include an undisclosed dealer mark-up which a fund may pay as part of the purchase price.
- **Hedging risk**— 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.

4. Concentrated geographical locations

The fund investing in concentrated geographical locations may be subject to a higher level of risks 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. 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 such as ownership and custody risks, political and economic risks, market and settlement risks, liquidity and volatility risk, legal and regulatory risks, execution and counterparty risk, and currency risk, which may adversely affect the net asset value per share of the fund and investors may as a result suffer 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.

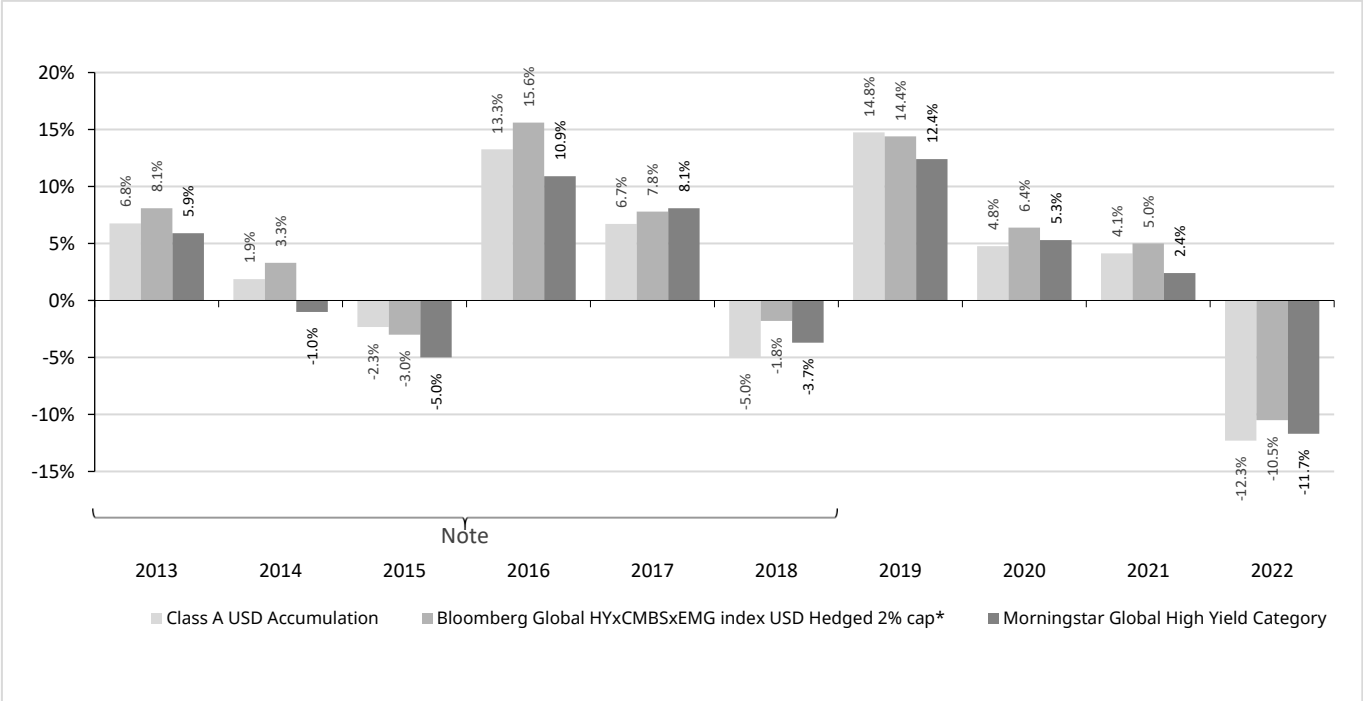
7. Risks relating to hedging and the hedged classes

- 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.

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.
- Target Benchmark: Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap*
- Comparator Benchmark: Morningstar Global High Yield Category
- Fund launch date: 2004
- Class A USD Accumulation launch date: 2004
- 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, reduction of fee(s).

* Formerly known as Bloomberg Barclays Global HYxCMBSxEMG index USD Hedged 2% cap

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
Subscription fee (Initial charge)	Up to 3.00% of the total subscription amount	Up to 2.00% 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	A1
Management fee (Annual Management Charge)	1.00%	
Depositary fee	Up to 0.005%	
Performance fee	Nil	
Administration fee	Up to 0.25%	
Distribution charge (Annual Distribution Charge)	Nil	0.50%
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%	

* 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.

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). This website has not been reviewed by the SFC.
- Past performance information of other share classes offered to Hong Kong investors is available online at www.schroders.com.hk. This website has not been reviewed by the SFC.
- 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.