Schroder Investment Management (Hong Kong) Limited
Level 33, Two Pacific Place
88 Queensway, Hong Kong

施羅德投資管理 (香港) 有限公司
香港金鐘道88號太古廣場二座33字樓

Tel 電話：+852 2521 1633 Fax 傳真：+852 2530 9095
www.schroders.com.hk

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IMPORTANT: This letter is important and requires your attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Hong Kong) Limited being the manager of the relevant funds 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 our knowledge and belief there are no other facts the omission of which would make any statement misleading.

1 July 2019

Dear Unitholder,

Important changes to our fund administration activities

We recently carried out a comprehensive review of fund administration across the Schroders group, specifically in relation to the management of transfer agency ("TA") activities. This resulted in a decision to delegate the fund administration activities to HSBC. HSBC has been a strategic partner of Schroders for several years, providing a range of other fund services. This decision will extend our partnership with HSBC across our fund administration services globally. The aim is to increase consistency in how we manage our services, which will ultimately add further value to our clients.

The delegation of TA activities as well as registrar functions by HSBC Institutional Trust Services (Asia) Limited, the trustee of the funds (as listed in the Appendix) in which you are invested, to HSBC France, Luxembourg Branch, will take effect from 1 July 2019.

The delegation of TA and registrar activities does not affect the investment management of the funds, their fee structure or your ownership of units, therefore the purpose of this letter is informational only. You are not required to take any action in response to this letter. The costs of making this change, including regulatory and unitholder communication costs, will not be borne by investors.

The contact details you use are unchanged.

There will be no other changes to existing communication or electronic trading channels due to this change.

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

Yours faithfully,
For and on behalf of
Schroder Investment Management (Hong Kong) Limited

Amy Cho
Chief Executive Officer, Hong Kong

Appendix

1. Schroder Umbrella Fund II
   - Schroder Asian Asset Income Fund
   - Schroder China Equity Alpha Fund
   - Schroder Global Allocator Fund
   - Schroder China Fixed Income Fund
   - Schroder China Asset Income Fund
   - Schroder Asian Investment Grade Bond Fund

2. Schroder Balanced Investment Fund

3. Schroder Capital Stable Fund

4. Schroder Stable Growth Fund

5. Schroder Growth Fund

6. Schroder Hong Kong Money Market Fund

7. Schroder U.S. Dollar Money Fund

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IMPORTANT: This letter requires your attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Hong Kong) Limited ("the Manager") accepts full responsibility for the accuracy of the information contained in this document 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.

Unless otherwise stated herein, capitalised terms in this letter shall have the same meaning(s) as defined in the Explanatory Memorandum of the Schroder China Asset Income Fund dated October 2018, as amended and supplemented from time to time (the "**Explanatory Memorandum**").

3 May 2019

Dear Unitholder,

SCHRODER UMBRELLA FUND II - SCHRODER CHINA ASSET INCOME FUND (the "Fund")

We are writing to inform you of the following change (the "Change") to the Fund.

A. Changes in the Mainland China Withholding Income Tax Provisioning Policy

As disclosed in the Explanatory Memorandum, the Manager at present makes provisions from the Fund's assets for mainland China withholding income tax ("WIT") at a rate of 10% in respect of dividends distributed and interests paid by mainland China tax resident enterprises where such mainland China WIT has not been withheld at source.

On 22 November 2018, the Ministry of Finance ("MOF") and State Administration of Taxation ("SAT") jointly issued circular Caishui [2018] No. 108 (Circular 108), which stipulates that foreign institutional investors are exempt from mainland China WIT and Value-added Tax ("VAT") in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the China bond market. Caishui [2018] No. 108 (Circular 108) is silent on the mainland China WIT and VAT treatment of bond interest before 7 November 2018.

In light of the above, the Manager, having taken and considered independent professional tax advice, has determined the Fund's mainland China WIT tax provisioning policy will be as follows:

(i) Continue to provide for mainland China WIT of 10% on interest income accrued prior to 7 November 2018 from mainland China issued bonds.

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(ii) No further provision will be made in respect of mainland China WIT for the period stipulated in Caishui [2018] No. 108.

(iii) Holdings in bond like securities that do not technically fall into the definition of China bond market will be monitored by the Manager for material exposure for the Fund. Further advice and clarification on particular securities will be sought from professional tax advisors if any holdings in these securities becomes material to the Fund.

B. Changes in the VAT Provisioning Policy

As disclosed in the Explanatory Memorandum, the Manager does not make provision from the Fund's assets for VAT on interest income arising on non-government fixed income securities listed in mainland China and offshore by mainland China issuers. No provision has been made in the past, as the Fund's exposure to VAT is not material.

In light of Caishui [2018] No. 108 (Circular 108), the Manager, having taken and considered independent professional tax advice, has determined the Fund's mainland China VAT provisioning policy will be as follows:

(i) Recognise a provision for VAT at 6.3% of relevant items arising before 7 November 2018. Given the ambiguity of VAT treatment before 7 November 2018, the Manager, having taken and considered independent professional tax advice, considers this approach as prudent. The making of this provision will be reflected in the Fund's net asset value on the Dealing Day of 3 May 2019.

(ii) No provision will be made in respect of mainland China VAT for the period after 7 November 2018 stipulated in Caishui [2018] No. 108.

(iii) Holdings in bond like securities that do not technically fall into the definition of China bond market will be monitored by the Manager for material exposure for the Fund. Further advice and clarification on particular securities will be sought from professional tax advisors if any holdings in these securities becomes material to the Fund.

C. Amendments to the Explanatory Memorandum

The Explanatory Memorandum and Product Key Facts Statement will be amended accordingly to reflect the above changes and will be available in due course.

The latest Explanatory Memorandum and Product Key Facts Statement are available upon request from the office of the Manager at Level 33, Two Pacific Place, 88 Queensway, Hong Kong and are also available on Schroders' website at www.schroders.com.hk. The website is not authorised by the SFC.

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This notification is to provide you with updated information in relation to the Fund. You are not required to take any action with respect to this letter. If you would like more information, please contact your usual professional advisor or Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,
For and on behalf of
Schroder Investment Management (Hong Kong) Limited

Amy Cho
Chief Executive Officer, Hong Kong

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PRODUCT KEY FACTS
Schroder China Asset Income Fund

Issuer: Schroder Investment Management (Hong Kong) Limited **April 2019**

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			
Trustee:	HSBC Institutional Trust Services (Asia) Limited			
Ongoing charges over a year*:	Class A AUD Hedged Dis	1.92%*	Class A RMB Hedged Dis	1.92%*
	Class A HKD Acc	1.92%*	Class A USD Acc	1.92%*
	Class A HKD Dis	1.92%*	Class A USD Dis	1.92%*
	Class C HKD Acc	0.95%$^{\Delta}$		
Dealing frequency:	Daily			
Base currency:	HKD			
Dividend policy:	A and C Accumulation Units – Dividend will not be distributed but will be reinvested into the fund. A and C Distribution Units – Dividend will be distributed on a monthly basis. However, the distribution rate is not guaranteed. Distributions may be paid out of capital and reduce the fund's net asset value.			
Financial year end of this fund:	30 June			
Minimum investment:	Initial – HKD5,000, RMB5,000 or USD1,000 (or equivalent), Subsequent Investment – HKD5,000, RMB5,000 or USD1,000 (or equivalent)			

* The ongoing charges figure is based on annualised expenses for the interim period ended 31 December 2018. This figure may vary from year to year.
$^{\Delta}$ As the relevant unit class is not yet launched, the ongoing charges figure is an estimate only. The ongoing charges figure is estimated based on the expenses for the interim period ended 31 December 2018. It represents the sum of the estimated ongoing expenses chargeable to the relevant unit class expressed as a percentage of the fund's estimated average net asset value attributable to the relevant unit class. The actual ongoing charges figure of the relevant unit class may be different from the estimate and may vary from year to year.

What is this product?

This is a sub-fund of the Schroder Umbrella Fund II constituted in the form of an umbrella unit trust established under the laws of Hong Kong.

Objectives and investment strategy

The fund's objective is to provide income and capital growth by investing primarily in Chinese equity and fixed income securities.

The fund will seek to achieve the investment objective primarily (i.e. at least 70% of its net asset value) through investment in a portfolio of (a) equities and equity related securities of China and China related companies; and (b) bonds, convertible bonds and other fixed or floating rate securities issued by China and China related companies and governments, government agencies and supra-national issuers in mainland China. China and China related companies refer to companies which are headquartered and/or listed in or have a substantial business exposure to mainland China.

The fund may gain direct exposure to Chinese equity and fixed income securities through for example China A-Shares, China B-Shares, H-shares and Chinese fixed income securities issued or distributed within and outside of mainland China. The fund may also gain indirect exposure to Chinese equity and fixed income securities (including Chinese fixed income securities distributed in mainland China) through for example China market access products, investment funds and exchange traded funds ("ETFs").

The fund's direct and indirect exposure to Chinese fixed income securities issued or distributed within mainland China will be less than 30% of its net asset value. The fund's direct exposure to Chinese fixed income securities issued or distributed within mainland China will be gained via investing in mainland China interbank bond markets ("China Interbank Bond Market") under Foreign Access Regime (as further described in the section under the heading "Overview of China Interbank Bond Market" in the Explanatory Memorandum) and/or Bond Connect (as further described in the section under the heading "Overview of China Interbank Bond Market" in the Explanatory Memorandum) and/or other means as may be permitted by the relevant regulations from time to time.

The fund does not have explicit restrictions on the minimum credit ratings of fixed income securities it may hold. The fund will invest in fixed income securities with a credit rating below investment grade (i.e. rated below BBB- or equivalent by any internationally recognised credit rating agency, such as Standard & Poor's, Moody's or Fitch, or rated BB+ or below by any mainland China domestic credit rating agency; whenever different ratings are assigned by different credit rating agencies, the lowest credit ratings assigned to the security will be adopted by the fund) or unrated fixed income securities at the time of acquisition. 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's direct and indirect exposure to China A-Shares and China B-Shares will be less than 50% of its net asset value. However, the fund may invest no more than 10% of its net asset value indirectly in China A-Shares through financial instruments such as China market access products. The fund may invest less than 50% of its net asset value directly in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the "Stock Connect") (as further described in the section under the heading "Stock Connect" in the Explanatory Memorandum).

The manager does not intend to invest the fund directly in the mainland China securities markets through Qualified Foreign Institutional Investment (QFII) quota or Renminbi Qualified Foreign Institutional Investment (RQFII) quota.

The fund may, if the manager considers fit, seek exposure of not more than 20% of its net asset value to other asset classes including but not limited to non-Chinese securities, commodities (including energy, metals and agricultural commodities) indirectly through investment funds, ETFs, real estate investment trusts ("REITs") and/or similar instruments.

The fund may hold more than 10% of its assets in cash as a separate asset class for defensive purpose.

The fund will actively allocate between Chinese equities, Chinese fixed income securities, other asset classes and cash to achieve the fund's objectives. The fund will use a cyclical approach to asset allocation where the asset mix will be adjusted according to the four phases of the economic cycle – recovery, expansion, slowdown and recession – based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data and liquidity. Cash will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions. The fund's expected asset allocation ranges for each asset class is expected to be the following as at the date of this document:

Asset allocation ranges:

Chinese equities: 30-70%	Other asset classes: 0-20%
Chinese fixed income: 30-70%	Cash: 0-30%

In addition to active asset allocation, the fund will also perform active security selection for its investments in Chinese equities, Chinese fixed income and other asset classes. For the Chinese equities portfolio, the fund intends to focus on companies that are able to create true shareholder value and capital growth over the medium to long term. For the Chinese fixed income portfolio, the fund intends to select securities balancing between yield and capital growth taking into account both fundamental and technical views such as valuation, demand/supply conditions and liquidity.

The fund may have substantial Renminbi ("RMB") denominated underlying investments.

The manager will also manage the fund taking into account the distribution policy of the fund. Please refer to "Distribution" section of the offering document for details.

It is not the Manager's current intention to engage in securities lending, repurchase, reverse repurchase or similar over-the-counter transactions in respect of the fund.

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. **Risk relating to asset allocation strategy**

   The performance of the fund is partially dependent on the success of the asset allocation strategy employed by the fund. There is no assurance that the strategy employed by the fund will be successful. The investments of the fund may be periodically rebalanced and therefore the fund may incur greater transaction costs than a fund with static allocation strategy.

3. **Equity investment risk**

   The fund's investment in equity securities is subject to the risk that the market value may fluctuate 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.

4. **Risks relating to investment in fixed income securities**

   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 and counterparty risk – Investment in fixed income securities is subject to the credit/default risk of the issuer which may also adversely affect the settlement of the 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. The rating criteria and methodology used by Chinese local rating agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

   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 downgrading risk – The credit rating of fixed income securities or their issuers may subsequently downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The 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, and their prices 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.

5. **Mainland China market 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 mainland China 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 mainland China may not be as well developed as those of developed countries. Mainland China companies are required to follow the mainland China 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 mainland China 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.

Mainland China taxation consideration – There is a possibility that the current tax laws, regulations and practice in mainland China will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the fund. The Manager, having taken and considered independent professional tax advice, will not make provisions for (i) any withholding income tax on gains derived from the disposal of China B-Shares and H-Shares, (ii) any withholding income tax on gains derived from the disposal of mainland China fixed income securities; and (iii) any withholding income tax on realized and unrealized capital gains derived from investments in China A-Shares through market access products and Stock Connect. However, having taken and considered independent professional tax advice the Manager intends to make provision from the fund's assets for the mainland China withholding income tax at a rate of 10% in respect of dividend distributed and interests paid by the mainland China tax resident enterprises where such mainland China withholding income tax has not been withheld at source. Any shortfall between the provision and the actual tax liabilities, which will be debited from the fund's assets, will adversely affect the fund's net asset value. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

6. Concentration risk

The fund will invest substantially in Chinese equities and Chinese fixed income securities and is subject to concentration risk. The fund is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as the fund is more susceptible to adverse conditions in mainland China.

7. Currency and exchange risk

Investments acquired by the fund may be denominated in a wide range of currencies different from the base currency of the fund. Also a Class of Units may also be denominated in a currency other than the base currency of the fund. The net asset value of the fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

8. Risks relating to China A-Shares and China B-Shares

The China A-Shares and China B-Shares markets have in the past experienced substantial volatility and there can be no assurance that such volatility will not occur in the future. These markets may be more volatile and unstable than markets in more developed countries. Market volatility and potential lack of liquidity may result in prices of securities traded on the mainland China markets to fluctuate significantly.

9. Risks related to investments via the Stock Connect

The relevant rules and regulations on the 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 mainland China market through the programme will be adversely affected. In such event, the fund's ability to achieve its investment objective could be negatively affected.

10. Risks associated with China Interbank Bond Market

Investing in the China Interbank Bond Market via Foreign Access Regime and/or Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to debt securities. The relevant rules and regulations on investment in the China Interbank Bond Market via Foreign Access Regime and/or Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant PRC authorities suspend account opening or trading on the China Interbank Bond Market, the fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the fund's ability to achieve its investment objective will be negatively affected.

11. Risks associated with the Small and Medium Enterprise board and/or ChiNext market

The fund may invest in the Small and Medium Enterprise ("**SME**") board and/or the ChiNext market of the Shenzhen Stock Exchange ("**SZSE**") via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for the fund and its investors.

Higher fluctuation on stock prices – Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

Over-valuation risk – Stocks listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations – The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk – It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the fund if the companies that it invests in are delisted.

12. Risk relating to small- and mid-capped companies

The fund may invest in the securities of small- and/or mid-capped companies. Investing in these securities may expose the fund to risks such as greater market price volatility, less publicly available information, and greater vulnerability to fluctuations in the economic cycle.

13. Risks relating to distributions

In respect of Distribution Units, the manager may at its discretion make such distributions out of the capital of the fund. This 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 value of units of the relevant Distribution Units.

The distribution amount and net asset value of the hedged unit classes may be adversely affected by differences in the interest rates of the class currencies of the hedged unit 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-hedged unit classes.

14. Risk of investing in convertible bonds

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

15. Risks relating to investment in other funds

The fund may invest in other investment funds which may or may not be regulated by the SFC. There may be additional costs involved when investing into these investment funds. Furthermore, 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.

16. Risks relating to ETFs

The trading prices of units/shares in an ETF may differ significantly from the net asset value of the units/shares of such ETF due to, disruptions to creations and realisations and supply and demand forces in the secondary trading market for units/shares in the ETF. In addition, various factors, such as fees and expenses of an ETF, may affect the ability of the manager of an ETF to achieve close correlation with the tracking index for the relevant ETF. An ETF's returns may therefore deviate from that of its tracking index.

17. Risks relating to hedging and the hedged classes

There is no guarantee that the desired hedging instruments will be available or hedging techniques will be effective. The fund may suffer significant losses in adverse situation. Any expenses arising from such hedging transactions will be borne by the relevant hedged classes. Hedging may also preclude unitholders from benefiting from an increase in value in terms of the fund's base currency.

18. RMB Currency Risk and RMB classes related risk

RMB is currently not freely convertible and is subject to foreign exchange control policies and restrictions.

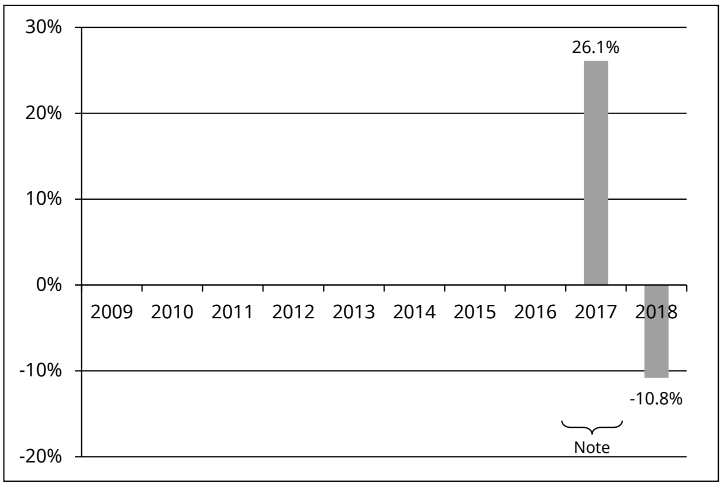
There can be no assurance that RMB will not be subject to depreciation. Any depreciation of RMB could adversely affect the value of investor's investment in classes denominated in RMB.

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 classes denominated in RMB may have to convert HK dollar or other currency(ies) into RMB when investing in 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 HKD Accumulation increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD 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.
- Fund launch date: 2016
- Class A HKD Accumulation launch date: 2016
- The manager views the Class A HKD Accumulation, being the retail unit class denominated in the base currency of the fund, as the most appropriate representative unit 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 and 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**	
Unit class	A	C
Subscription fee (Initial charge)	Up to 5% of the gross investment amount	
Switching fee	Up to 5% of the switching amount	
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)	
Unit class	A	C
Management fee*	1.50%	0.625%
Trustee fee	0.07% *(Subject to a minimum fee of HK$156,000 per annum)*	
Performance fee	Not applicable	
Administration fee (Service Provider's costs)	0.02% to 0.2%	

* The fee may be increased up to a maximum annual rate of 7% of the net asset value of the fund after giving at least one month's prior notice to unitholders.

Other fees

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

Additional information

– You generally buy and redeem units at the fund's next-determined 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 5 pm 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).

– Compositions of the distributions (i.e. the percentages of distribution being paid out of capital and net distributable income) for the last twelve months for each of the classes of Distribution Units paying distributions out of capital are available from the manager on request and on the Schroders' Internet site (www.schroders.com.hk).

– 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. The 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.