

Schroder International Selection Fund
Société d'Investissement à Capital Variable
5, rue Höhenhof, L-1736 Senningerberg
Grand Duchy of Luxembourg

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

26 March 2021

Dear Shareholder,

Schroder International Selection Fund (the “Company”) –

- **EURO Bond**
 - **Global Bond**
 - **Global Corporate Bond**
 - **Global High Yield**
 - **Global Inflation Linked Bond**
 - **Strategic Bond**
- (collectively, the “Funds”)**

The board of directors of the Company would like to inform you that the investment managers (“Investment Managers”) of the Funds will, at their own expense, allocate the investment management of certain proportion of the assets of the Funds to other Schroder group entities (the “Sub-Investment Managers”) with effect from 27 April 2021, in order to access the expertise and experience of specialist investment teams in such Sub-Investment Managers in the best interests of Shareholders. Please refer to the Appendix for the Sub-Investment Managers of each Fund.

Apart from the allocations to the Sub-Investment Managers, all other key features of the Funds, including the fees chargeable in respect of the Funds and the risk profile of the Funds, will remain the same. There is no change in the Funds’ investment style, investment philosophy, investment strategy, and the operation and/or manner in which the Funds are being managed following the changes. The changes do not materially prejudice the rights or interests of existing Shareholders.

The Hong Kong offering documents of the Company (comprising the Prospectus, Hong Kong Covering Document and Product Key Facts Statements) will be revised in due course to reflect the above changes. The Hong Kong offering documents are available free of charge at www.schroders.com.hk¹ or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited (the “Representative”) at Level 33, Two Pacific Place, 88 Queensway, Hong Kong.

¹ This website has not been reviewed by the SFC.

We hope that you will choose to remain invested in the Funds following these changes, but if you 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")², you may do so at any time up to and including the deal cut-off at 5:00 p.m. Hong Kong time on 26 April 2021. We will execute your redemption or switch instructions in accordance with the provisions of the Company's prospectus, 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 deal cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach the Representative in Hong Kong before the deal cut-off at 5:00 p.m. Hong Kong time on 26 April 2021.

Costs of making these changes including regulatory and shareholder communication costs will be borne by Schroder Investment Management (Europe) S.A..

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

Yours faithfully,



Cecilia Vernerson
Authorised Signatory



Mike Sommer
Authorised Signatory

² 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.

Appendix

Fund	Investment Manager	Sub-Investment Manager(s)	Effective date
EURO Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.	existing allocation
		Schroder Investment Management (Singapore) Ltd	27 April 2021
Global Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.	existing allocation
		Schroder Investment Management (Singapore) Ltd	27 April 2021
Global Corporate Bond	Schroder Investment Management North America Inc.	Schroder Investment Management Limited	existing allocation
		Schroder Investment Management (Hong Kong) Limited	27 April 2021
Global High Yield	Schroder Investment Management North America Inc.	Schroder Investment Management Limited	existing allocation
		Schroder Investment Management (Hong Kong) Limited	27 April 2021
Global Inflation Linked Bond	Schroder Investment Management Limited	Schroder Investment Management (Singapore) Ltd	27 April 2021
Strategic Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.	existing allocation
		Schroder Investment Management (Singapore) Ltd	27 April 2021

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26 March 2021

Dear Shareholder,

Schroder International Selection Fund – Enhancement of disclosures on Dilution Adjustment

We are writing to advise you of updates to the section headed 'Dilution Adjustment' in the prospectus of Schroder International Selection Fund (the "Company"). Unless otherwise specified, capitalized terms herein shall have the same meaning as those defined in the prospectus of the Company.

With effect from 27 April 2021 (the "Effective Date") the following change will apply, which enhances the flexibility of the Management Company to make a dilution adjustment in unusual or exceptional market conditions:

- While dilution adjustments are not expected to exceed 2% of a Fund's net asset value, under unusual or exceptional market conditions (such as significant market volatility, market disruption or significant economic contraction, a terrorist attack or war (or other hostilities), a pandemic or other health crisis, or a natural disaster), the Management Company may decide, on a temporary basis, to adjust the net asset value of a Fund by more than 2% when such a decision is justified as being in the best interests of the shareholders;

In addition, the following clarifications have been added:

- Schroders' Group Pricing Committee provides recommendations to the Management Company on the appropriate level of dilution adjustment and level of threshold that should trigger the application of swing pricing in a Fund. The Management Company remains ultimately responsible for such pricing arrangements;
- The dilution adjustment is applied to all subscriptions, redemptions and/or switches in and out of a Fund on any given Dealing Day once the total level of such dealing in the Fund on that Dealing Day has exceeded the applicable threshold; and
- The Company applies a dilution adjustment to all of its Funds.

All other key features of the Company's sub-funds including the fees chargeable and the risk profile in respect of the sub-funds will remain the same. Save for the changes as mentioned above, there is no change in the operation and/or manner in which the sub-funds are being managed. These changes do not materially prejudice the rights or interests of existing Shareholders.

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We hope that you will choose to remain invested in the Company following these changes, but if you do wish to redeem your holding or to switch into another of the Company's sub-funds authorized by the Securities and Futures Commission ("SFC")² before the changes become effective you may do so at any time up to and including deal cut-off on 26 April 2021. Please ensure that your redemption or switch instruction reaches the Representative in Hong Kong before this deadline. We will execute your redemption or switch instructions in accordance with the provisions of the Company's prospectus, 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 deal cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach the Representative in Hong Kong before the deal cut-off on 26 April 2021.

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.

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

Yours faithfully,



Cecilia Vernerson
Authorised Signatory



Mike Sommer
Authorised Signatory

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14 December 2020

Dear Shareholder,

Schroder International Selection Fund – Enhancement of disclosures on benchmarks

We are writing to advise you that the board of directors of Schroder International Selection Fund (the "Company") has enhanced certain disclosures with respect to the sub-funds of the Company (as detailed in a table available at https://www.schroders.com/en/sysglobalassets/digital/hong-kong/investor-notice/202012_sisf_enhancement_of_disclosures_on_benchmarks_table_en.pdf¹), specifically, the European Securities and Markets Authority (ESMA) Q&A on the application of the UCITS Directive (March 2019 update) regarding the way in which funds describe their use of benchmarks and display performance to shareholders.

As a result of this guidance, we have stated for each sub-fund whether it has a target benchmark (which defines the sub-fund's target performance) and the extent to which any other benchmarks should be used by shareholders to assess performance (i.e. comparator benchmarks). We have also explained why a particular benchmark has been selected for the relevant sub-fund. In addition, we have confirmed that each sub-fund is actively managed and some investment policies include additional detail in that respect.

For sub-funds that have target benchmarks, their investment objectives have been enhanced to define the sub-fund's target performance. For instance, where a sub-fund's objective previously stated it aimed to provide 'capital growth', we are now providing more information as to what we mean by 'capital growth', for example to exceed the return of the target benchmark after fees have been deducted over a stated period. We have set out the enhanced investment objectives of the relevant sub-funds in a table available at https://www.schroders.com/en/sysglobalassets/digital/hong-kong/investor-notice/202012_sisf_enhancement_of_disclosures_on_benchmarks_table_en.pdf¹.

The Company confirms in each case that:

- there are no changes to how the sub-funds are managed;

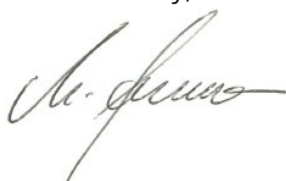
¹ This website has not been reviewed by the SFC.

- the investment style, investment philosophy and risk profile of the sub-funds remains the same; and
- the fees chargeable in respect of the sub-funds as stated in the Prospectus remain the same.

The Hong Kong offering documents of the Company (comprising the Prospectus, Hong Kong Covering Document and Product Key Facts Statements) will be revised in due course to reflect the above updates.

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

Yours faithfully,



Mike Sommer
Authorised Signatory



Nirosha Jayawardana
Authorised Signatory

Schroder International Selection Fund
Société d'Investissement à Capital Variable
5, rue Höhenhof, L-1736 Senningerberg
Grand Duchy of Luxembourg

Tel: +352 341 342 202
Fax: +352 341 342 342

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22 May 2020

Dear Shareholder,

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

We write further to our letter dated 21 February 2020, which outlined planned changes to the distribution policy of certain Share Classes of the following sub-funds: Emerging Multi-Asset Income and Global Bond.

The changes were due to come into effect for the distributions paid on 7 April 2020. However, due to an error the change was not implemented and will therefore become effective for the distributions due to be paid on 6 July 2020.

Please accept our apologies for any confusion caused by the letter sent to you dated 21 February 2020.

The distribution frequency of these Share Classes will not change, but the fixed amounts paid out will reduce. The affected Share Classes and the changes to the distribution policy are detailed in the appendix to this letter.

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.

We hope that you will choose to remain invested in the Fund following these changes, but if you do wish to redeem your holding in the Fund or to switch into another of the Company's sub-funds authorized by the Securities and Futures Commission¹ before the changes become effective you may do so at any time up to and including deal cut-off at 5:00 p.m. Hong Kong time on 23 June 2020. We will execute your redemption or switch instructions in accordance with the provisions of the Company's prospectus, 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 deal cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited (the “Representative”) in Hong Kong before the deal cut-off at 5:00 p.m. Hong Kong time on 23 June 2020.

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

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'N Jayawardana', with a long horizontal flourish extending to the right.

Nirosha Jayawardana
Authorised Signatory

A handwritten signature in blue ink, appearing to be 'C Burkhardt', with a long horizontal flourish extending to the right.

Chris Burkhardt
Authorised Signatory

Appendix

List of Share Classes with changing distribution policy in Schroder International Selection Fund

Fund	Share class	Share class currency	Current distribution policy	Future distribution policy
Emerging Multi-Asset Income	A Distribution QF	EUR Hedged	Fixed 5.00% p.a. paid quarterly	Fixed 4.00% p.a. paid quarterly
Global Bond	A Distribution QF	EUR Hedged	Fixed 2.50% p.a. paid quarterly	Fixed 2.00% p.a. paid quarterly
Global Bond	A1 Distribution QF	EUR Hedged	Fixed 2.50% p.a. paid quarterly	Fixed 2.00% p.a. paid quarterly

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

April 2020

***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 Limited, located in the United Kingdom, internal delegation			
Sub-investment manager(s):	Schroder Investment Management North America Inc., located in the United States of America, internal delegation			
Depository:	J.P. Morgan Bank Luxembourg S.A.			
Ongoing charges over a year*:	Class A EUR Hedged Acc	0.98%	Class A USD Acc	0.95%
	Class A EUR Hedged Dis QF	0.98%	Class A USD Dis AV	0.95%
	Class A1 EUR Hedged Acc	1.53%	Class A1 USD Acc	1.50%
	Class A1 EUR Hedged Dis QF	1.53%	Class A USD Hedged Acc	0.98%

Dealing frequency: Daily

Base currency: USD

Dividend policy:

A, A1 and D Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund.

A, A1 and D Distribution share classes – The board of directors generally has discretion as to whether or not to make any distribution save for the Distribution share classes with fixed dividend policy which are subject to the disclosures below. The distribution frequency is indicated in the share class designation as follows: M = monthly, Q = quarterly, S = semi-annual, A = annual

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 A EUR Hedged Dis QF	EUR	Quarterly (4)	2.5% per annum [#]
Class A1 EUR Hedged Dis QF	EUR	Quarterly (4)	2.5% per annum [#]

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

Financial year end of this fund: 31 December

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

* The ongoing charges figure is based on the expenses for the year ended 31 December 2019. This figure may vary from year to year.

The change of dividend rate as described in the shareholder letter dated 21 February 2020 will take effect at a later date to be notified separately.

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

What is this product?

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

Objectives and investment strategy

Investment Objective

The fund aims to provide capital growth and income by investing in fixed and floating rate securities.

Investment Policy

The fund invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide in various currencies.

The fund may invest:

- up to 10% of its assets in contingent convertible bonds;
- less than 30% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schrodgers ratings for non-rated bonds); and
- up to 40% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

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 in money market investments and hold cash.

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 has the flexibility to implement long and short active currency positions via derivatives such as currency forwards. Long and short active currency positions implemented by the fund can be uncorrelated to the underlying assets of the fund. The fund may use derivatives such as currency forwards, options on currency forwards and spots to hedge out any unwanted currency risk and/or to capture potential outperformance of a particular currency versus another.

The fund may invest up to 5% of its net asset value in onshore Chinese bonds and other debt instruments traded on the China Interbank Bond Market via Bond Connect (as further described in the section headed “Overview of China Interbank Bond Market” in the Hong Kong Covering Document).

The fund may use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Where the fund uses total return swaps, the underlying consists of instruments in which the fund may invest according to its investment objective and investment policy. In particular, total return swaps may be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps will not exceed 30% and is expected to remain within the range of 0% to 10% of the net asset value. In certain circumstances this proportion may be higher.

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.

Use of derivatives / investment in derivatives

The fund’s net derivative exposure may be more than 100% 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 be 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. **Risk of investment in Europe**

The fund may invest in securities which may include a substantial investment in European securities. In light of the current fiscal conditions and concerns on sovereign debt of certain European countries, the fund may be subject to an increased amount of volatility, liquidity, price, default and currency risk should there be any adverse credit events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, in the European region. Notwithstanding the governments of the European countries have adopted measures to address these problems, it is possible that these measures may not work and may adversely affect the value of the fund’s investment in European securities. If these adverse economic or financial events in Europe continue, they could have additional unfavourable effects on the economies and financial markets of other parts of the world thereby affecting the value of the fund’s investment.

4. **Mortgage related and other asset backed securities (“ABS”)**

ABS may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. ABS are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

5. **Risk of implementing active currency positions**

The investment manager has the flexibility to actively manage currency positions which it considers will achieve the investment objective of the fund. However no guarantee or representation is made that such investment strategy/technique will be successful.

When implementing active currency positions, the fund may enter into currency forwards or other instruments with the aim of protecting the value of the assets of the fund against untoward foreign exchange risks and actively managing currency positions of the fund. Currency forwards or other instruments do not eliminate fluctuations in the prices of the fund’s securities or in foreign exchange rates, or prevent loss if the prices of these securities decline. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the fund may not correspond with securities positions held. In such circumstances, the fund’s assets may be exposed to the losses which may in turn adversely affect the net asset value per share of the fund and investors may suffer losses.

6. 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. Long and short positions gained through total return swaps may increase exposure to credit-related risk.
- **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.
- **Interest rate risk** – There may be interest rate risk when swaps (such as total return swaps) involve floating rate payments.
- **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.

7. Risks relating to high expected leverage

The fund may have a net leverage exposure of over 100% of its net asset value to derivatives. This will further magnify any potential negative impact of any change in the value of the underlying asset on the fund and also increase the volatility of the fund’s price and may lead to significant losses.

8. 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.

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 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.

10. 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 of shares.**
- 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.

11. Risks relating to hedging and the hedged classes

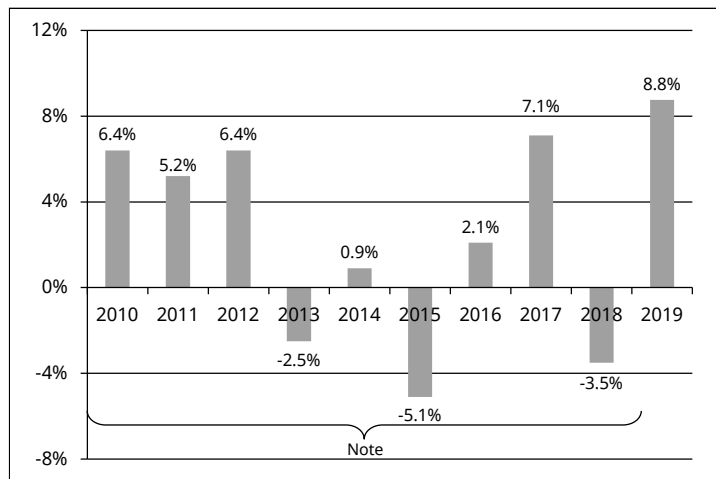
- In respect of the share classes which the management company of the fund has the ability to fully hedge the shares of such share classes in relation to the fund currency, currency exposures or currency hedging transactions within the fund's portfolio will not be considered. The aim of currency hedged 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 share class's and the fund's base currency. However there is no assurance that the hedging strategies employed will be effective.
- 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 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.
- There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the reference currency.

12. 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.
- Fund launch date: 1993
- Class A USD Accumulation launch date: 2000
- The management company views the Class A USD Accumulation, being the retail share class denominated in the base currency of the fund, as the most appropriate representative share class of the fund.

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

Fee	What you pay			
	Share class	A	A1	D
Subscription fee (Initial charge)		Up to 3.00% of the total subscription amount	Up to 2.00% of the total subscription amount	Nil
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.

Share class*	Annual rate (as a % of the fund's value)		
	A	A1	D
Management fee	0.75%	0.75%	0.75%
Depositary fee	Up to 0.005%		
Performance fee	Nil		
Administration fee	Up to 0.25%		
Distribution charge	Nil	0.50%	1.00%
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.

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

Other fees

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

Additional information

- You generally buy and redeem shares at the fund's relevant net asset value ("NAV") after Schroder Investment Management (Hong Kong) Limited receives your request, directly or via a distributor, in good order at or before 5pm HK time, being the fund's dealing cut-off time on each dealing day of the fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the fund's dealing cut-off time).
- A dividend calendar including details on the distribution frequency and the dividend calculation basis for all available distribution share classes and a composition of the dividend payments (i.e. the percentages of distribution being paid out of capital and net distributable income) for the last twelve months for each of these distribution share classes (i) with a variable distribution policy or (ii) with a fixed dividend policy and paying dividends out of capital are also available from the Schroder Investment Management (Hong Kong) Limited on request and from the Schrodgers' Internet site (www.schroders.com.hk).
- Past performance information of other share classes offered to Hong Kong investors is available online at www.schroders.com.hk.
- The net asset value of this fund is calculated and the price of shares is published on each dealing day. They are available online at www.schroders.com.hk. 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.