

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to purchase units in the product.
If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

Schroder Asian Growth Fund (the "Fund")

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| Product Type | Unit Trust | Launch Date | <u>S\$ Class Units</u> 8 May 1991 <u>US\$ Class Units</u> 30 April 2004 |
| Manager | Schroder Investment Management (Singapore) Ltd | Custodian | The Hongkong and Shanghai Banking Corporation Limited |
| Trustee | HSBC Institutional Trust Services (Singapore) Limited | Dealing Frequency | Every Dealing Day |
| Capital Guaranteed | No | Expense Ratio for the year ended 31 December 2016 | <u>S\$ Class Units</u> 1.36% <u>US\$ Class Units</u> 1.36% |
| Name of Guarantor | Not Applicable | | |

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek long-term capital growth; and
- understand the risks associated with investing in Asian equities.

Further Information

Refer to Para 6 of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a unit trust constituted in Singapore that aims to achieve long term capital growth primarily through investing in securities of companies quoted on some or all of the stock markets in countries in Asia (including Australia and New Zealand but excluding Japan). The portfolio of the Fund will be broadly diversified with no specific industry or sectoral emphasis.

The Manager is presently offering US\$ Class Units (denominated in US\$) and S\$ Class Units (denominated in S\$) for investment. Both Classes will constitute the Fund and are not separate sub-funds under the Fund.

Currently, the Manager intends to declare quarterly distributions at a variable percentage per annum, of the NAV per Unit to Holders of the S\$ Class and the US\$ Class on or around 31 March, 30 June, 30 September and 31 December of each year. Subject to the provisions of the Deed, the Manager may (with the consent of the Trustee) determine that distributions be paid from the capital of the relevant Class. Where distributions are paid out of the capital of the relevant Class, the NAV of the relevant Class will be reduced.

Refer to Para 5, 6 and 21.1 of the Prospectus for further information on features of the product.

Investment Strategy

The investment philosophy of the Manager is founded on the belief that returns over the long term are determined by economic and corporate fundamentals and that the analysis of those factors should be the foundation of the Manager's investment strategy. Given that equity markets are not efficient in Asia and that many of the best investment ideas are not well researched, the Manager believes its style of active management with emphasis on bottom-up stock analysis will add value.

The Manager's approach is to capitalise on the Schroder group's strong in-house research capability and exploit market inefficiencies.

Refer to "Important Information" section and Para 6 of the Prospectus for further information on the investment strategy of the Fund.

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| <p>Over the longer term, the Manager believes that share prices should reflect the ability of companies to create value for shareholders. As such, the distinctive focus of its research is to identify companies that have robust business models, good corporate governance and strong management teams to drive shareholder returns.</p> <p><i>The NAV of the Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.</i></p> | |
| Parties Involved | |
| WHO ARE YOU INVESTING WITH? <ul style="list-style-type: none"> • The Manager is Schroder Investment Management (Singapore) Ltd • The Trustee is HSBC Institutional Trust Services (Singapore) Limited • The custodian is The Hongkong and Shanghai Banking Corporation Limited • The registrar is the Trustee. | <p>Refer to Para 2, 3 and 4 of the Prospectus for further information on the role and responsibilities of these entities.</p> |
| KEY RISKS | |
| WHAT ARE THE KEY RISKS OF THIS INVESTMENT? The value of the Fund and its distributions (if any) may rise or fall. These risk factors may cause you to lose some or all of your investment: | <p>Refer to Para 9 of the Prospectus for further information on risks of the product.</p> |
| Market and Credit Risks | |
| <p>You are exposed to market risk in Asian markets</p> <ul style="list-style-type: none"> • The value of investments may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation. • In addition, there are risks involved when investing in Asian markets (including the China market), of a nature not generally encountered when investing in securities traded on major international markets. | <p>Refer to Para 9.2.1 of the Prospectus for further information.</p> |
| Liquidity Risks | |
| <p>There is no secondary market for the Fund. All redemption requests should be made to the Manager or its appointed agents.</p> | <p>Refer to the "Important Information" section and Para 12.1 of the Prospectus for further information.</p> |
| Product-Specific Risks | |
| <p>You are exposed to equity risk</p> <ul style="list-style-type: none"> • The Fund may invest in stocks and other equity securities and their derivatives which are subject to market risks that historically have resulted in greater price volatility than that experienced by bonds and other fixed income securities. <p>You are exposed to foreign securities risk</p> <ul style="list-style-type: none"> • Investments in securities throughout the world are subject to numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental laws or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to those applicable to companies in your domicile. In addition, securities of companies or governments of some countries may be illiquid and their prices volatile and, with respect to certain countries, the possibility exists of expropriation, nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds, or other assets, including withholding of dividends. <p>You are exposed to financial derivatives risks</p> <ul style="list-style-type: none"> • The Fund may use financial derivatives. The use of futures, options, warrants, forwards, swaps or swap options involves increased risks. The Fund's ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the financial derivatives do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used the financial derivatives. <p>You are exposed to risks associated with investing through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively and individually referred to as the "Stock Connect")</p> <ul style="list-style-type: none"> • The Fund may invest in China A-Shares of mainland China through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect (as further described in section (A) of the Annex to the Prospectus). The current regulations relating to the Stock Connect are untested and subject to change which may have potential retrospective effects. The Stock Connect is subject to quota limitations which may restrict | <p>Refer to Para 9.2.2, 9.2.3, 9.2.6 and 9.2.7 and the Annex of the Prospectus for further information.</p> |

the Fund's ability to invest in China A-Shares through the Stock Connect on a timely basis. Where a suspension in the trading through the Stock Connect is effected, the Fund's ability to access the mainland China market will be adversely affected. The mainland China regulations impose certain restrictions on selling. Hence the Fund may not be able to dispose of holdings of China A-Shares in a timely manner. When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. Due to the differences in trading days of the mainland China and the Hong Kong markets, the Fund may be subject to a risk of price fluctuations in China A-Shares during the time when the Stock Connect is not trading as a result.

- Trading in securities through the Stock Connect is subject to clearing and settlement risk. If ChinaClear defaults, the Fund may suffer delays in the recovery process or may not be able to fully recover its losses from ChinaClear. Further, the investments of the Fund are not covered by Hong Kong's Investor Compensation Fund.

- The Stock Connect is subject to operational risk. If the systems of the SEHK and market participants fail to function properly, trading in both markets through the program could be disrupted.

- The precise nature and rights of the Fund as the beneficial owners of the China A-Shares through HKSCC as nominee is not well defined under the mainland China law. Therefore the exact nature and methods of enforcement of the rights and interests of the Fund under the mainland China law is uncertain. If HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the China A-Shares will be regarded as held for the beneficial ownership of the Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

- The Fund may invest in the Small and Medium Enterprise ("SME") board and/or the ChiNext market of the Shenzhen Stock Exchange 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. Additional risks, namely, higher fluctuation on stock prices, over-valuation risk, differences in regulations and delisting risk, apply to such investments.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

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| Preliminary Charge (initial sales charge) | <ul style="list-style-type: none"> • Up to 5% for non-CPF subscriptions (maximum 5%) • Up to 3% for CPF subscriptions (only applicable to S\$ Class units) (maximum 3%) |
| Realisation Charge | <ul style="list-style-type: none"> • Nil |
| Switching Fee | <ul style="list-style-type: none"> • Currently 1% (maximum of 1% and minimum of \$5 (in the currency of the relevant Class)) |

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor on whether there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Manager and Trustee:

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| Management Fee/ Management Participation | <ul style="list-style-type: none"> • Currently 1% per annum on the first S\$10,000,000 of the Fund's assets; 1.125% per annum on amounts exceeding the first S\$10,000,000 (maximum 1.125% per annum) |
| Trustee's remuneration | <ul style="list-style-type: none"> • Currently not more than 0.05% per annum (currently not subject to any minimum amount) • Maximum 0.25% per annum, subject to a minimum of \$20,000 per annum |

Refer to Para 8 of the Prospectus for further information on the fees and charges.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The indicative NAV per Unit of each Class is published at the Manager's website at <http://www.schroders.com.sg> one (1) Business Day after the relevant Dealing Day and is also available from the Manager.

The indicative NAV per Unit of each Class is also published in The Straits Times and The Business Times on a periodic basis.

Refer to Para 12 and 14 of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may at any time during the life of the Fund request in writing (a "Realisation Request") to realise all or any Units held by you, subject to the minimum holding and minimum realisation amount as stated in the Prospectus.

The realisation proceeds are paid to you within six (6) Business Days (or such other period as may be prescribed by the Monetary Authority of Singapore) following the receipt of the Realisation Request.

Your exit price is determined as follows:

- If you submit the Realisation Request on or before 5 pm on a Dealing Day, you will be paid a price based on the NAV of the Fund at the close of that Dealing Day.
- If you submit the Realisation Request after 5 pm on a Dealing Day, you will be paid a price based on the NAV of the Fund at the close of the next Dealing Day.

The sale proceeds that you will receive will be the exit price multiplied by the number of units realised, less any applicable Duties and Charges. As example is as follow:

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|--------------------------|---|--------------------------------------|---|----------------------|
| Number of Units realised | X | Notional Realisation Price | = | Realisation proceeds |
| | | (NAV per Unit of the relevant Class) | | |
| 1000 Units | X | S\$1.100 | = | S\$1,100 |

This example is on the assumption that there are no Duties and Charges payable.

If applicable to you as provided under the trust deed of the Fund, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form to the Manager or its appointed distributors within 7 calendar days from the date of your subscription. However, you will have to take the risk for any price changes in the NAV of the Fund since the time of your subscription.

CONTACT INFORMATION

HOW CAN YOU CONTACT US?

**For enquiries, please contact
Distributor**

The Manager

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946
Tel: 6534 4288
Website: www.schroders.com.sg

APPENDIX: GLOSSARY OF TERMS

"Business Day" means any day (other than a Saturday, a Sunday or a gazetted public holiday) on which any recognised stock exchange and commercial banks in Singapore are open for business.

"ChinaClear" means China Securities Depository and Clearing Corporation Limited.

"Class" means any class of Units in the Fund which may be designated as a class distinct from another class in the Fund as may be determined by the Manager from time to time.

"Dealing Day" means such Business Day(s) which is/are determined by the Manager (considering various factors including whether the recognised stock exchange or

exchanges on which a substantial portion of the deposited property of the Fund is quoted, listed or dealt in is or are not open for normal trading) with the approval of the Trustee.

A list of expected non-Dealing Days for the Fund is available on request.

“**Deed**” means the trust deed of the Fund, as amended.

“**Duties and Charges**” means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the deposited property of the Fund or the increase or decrease of the deposited property of the Fund or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of authorised investments or otherwise, which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commission payable to agents on sales and repurchases of Units.

“**HKSCC**” means The Hong Kong Securities Clearing Company Limited.

“**Holder**” means a holder of Units.

“**NAV**” means net asset value.

“**S\$**” means the lawful currency of the Republic of Singapore.

“**SEHK**” means The Stock Exchange of Hong Kong Limited.

“**Unit**” means one undivided share in the Fund or Class of the Fund.

“**US\$**” means the lawful currency of the United States of America.