

***This statement provides you with key information about this product.
This statement is a part of the offering document and should be read in conjunction
with the offering document.
You should not invest in this product based on this statement alone.***

Quick facts

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|---|--|
| Management company: | Schroder Investment Management (Luxembourg) S.A. |
| Investment manager: | Schroder Investment Management Limited, located in the United Kingdom, internal delegation |
| Custodian: | J.P. Morgan Bank Luxembourg S.A. |
| Dealing frequency: | Daily |
| Base currency: | EUR |
| Dividend policy: | <p>A, A1 and D Accumulation share class – Dividend will not be distributed but will be reinvested into the fund.</p> <p>A, A1 and D Distribution share class – The board of directors has discretion as to whether or not to make any distribution.</p> <p>Distributions may be paid out of capital and reduce the fund’s net asset value.</p> <p>The board of directors of Schroder International Selection Fund will periodically review the distribution share classes and reserve the right to change the rate and/or frequency of distributions of distribution share classes, subject to one month’s prior notification to the relevant shareholders. If the board of directors does not intend to retain the flexibility to pay dividends or expenses out of capital, the change will be subject to the SFC’s prior approval and one month’s prior notification to the relevant shareholders.</p> |
| Financial year end of this fund: | 31 December |
| Minimum investment: | A, A1 and D share class: Initial – EUR1,000 or USD1,000; Subsequent investment – EUR1,000 or USD1,000 |

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

To provide capital growth primarily through investment in equity securities of companies in countries participating in the EMU.

Use of financial derivative instruments (“FDI”)

The fund may employ FDI for hedging and investment purposes. FDI can be used for instance to create market exposure. Such FDI include equity, currency, volatility or index related FDI and over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.

The fund may use FDI extensively to meet its specific investment objective. However, the fund does not intend to use FDI extensively for investment purposes.

What are the key risks?

Investment involves risk. Please refer to the offering document for details including the risk factors.

1. Equity investment risk

Investment in equity securities is subject to the risk that the market value of the stocks may go down as well as up due to numerous factors such as changes in investment sentiment, political environment, economic environment, regional or global economic instability, currency and interest rate fluctuations. If the market value of the stocks go down the net asset value of the fund may be adversely affected.

2. 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 and currency risk should there be any adverse credit events 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.

3. FDI

The fund may use FDI to meet its specific investment objective. There is no guarantee that the performance of FDI will result in a positive effect for the fund. FDI exposure may lead to a high risk of significant capital loss. Risks associated with FDI include credit risk and counterparty risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risks and hedging risk. There is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result. In adverse situations, the use of hedging instruments may become ineffective in hedging and the fund may suffer significant losses.

4. 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.
- Distributions from capital may include a premium or discount which is determined by differences in the interest rates of the reference currency of the hedged share class and the fund currency. It is possible that there may be an increase in the amount of the distribution that is paid out of capital and hence a greater erosion of capital than other share classes. The distribution and net asset value of the share class may be positively or adversely affected by the differences in the interest rates of the reference currency of the hedged share class and the fund currency. The distribution and net asset value of the hedged share class may, therefore fluctuate more than, and may significantly differ from, other share classes.
- 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.
- **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.**

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 5.00% of the total subscription amount | Up to 4.00% 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.

| | Annual rate (as a % of the fund's value) | | |
|---|--|-------|-------|
| Share class | A | A1 | D |
| Management fee | 1.50% | 1.50% | 1.50% |
| Custodian fee | Up to 0.005% | | |
| Performance fee | Nil | | |
| Administration fee | Up to 0.4% | | |
| Distribution charge | Nil | 0.50% | 1.00% |
| Custody safekeeping fee | Up to 0.5% | | |
| Transaction fees (charged by the custodian) | Up to USD150 per transaction | | |
| Fund accounting and valuation fees | Up to 0.02%, subject to an annual minimum fee of USD20,000 | | |

Other fees

You may have to pay other fees when dealing in the shares of the fund. Please refer to “Other Charges and Expenses” of 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.schrodgers.com.hk).
- The net asset value of this fund is calculated and the price of shares is published on each business day in the South China Morning Post and the Hong Kong Economic Times. They are also available online at www.schrodgers.com.hk.

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.