

**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 Alternative Solutions, 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.

Capitalised terms in this document have the same meaning as in the Prospectus of the Schroder Alternative Solutions unless otherwise specified.

**30 September 2019**

Dear Shareholder,

**Withdrawal of SFC authorisation of Schroder Alternative Solutions (the "Company") and its sub-funds:**

- **Schroder Alternative Solutions Agriculture Fund**
- **Schroder Alternative Solutions Commodity Fund**

(individually, the "Sub-Fund"; collectively, the "Sub-Funds")

The board of directors (the "**Board**") of the Company wishes to notify you of their decision to apply to the Securities and Futures Commission (the "**SFC**") for the withdrawal of authorisation of the Company and the Sub-Funds with effect from 31 December 2019 (the "**Effective Date**").

## **1. Background and rationale for the withdrawal of authorisation**

After considerable analysis and review, the Board has concluded that there is little prospect of selling the Sub-Funds in the current Hong Kong retail investment market in the foreseeable future. Also, the amount of retail-investor assets in the Sub-Funds from Hong Kong is too small to justify the costs of maintaining the SFC authorisation of the Company and the Sub-Funds.

The Board has therefore applied to the SFC for the withdrawal of authorisation of the Company and the Sub-Funds and the Hong Kong offering documents, comprising of the Prospectus and Hong Kong Covering Document of the Company and the Sub-Funds and the Product Key Facts Statements of the Sub-Funds (collectively, the "**Hong Kong Offering Documents**") in Hong Kong.

As of 24 September 2019, the size of each of the Sub-Funds in USD was as follow:

<b>Name of Sub-Funds</b>	<b>Size of the Sub-Funds</b>
Schroder Alternative Solutions Agriculture Fund	USD 33.35 million
Schroder Alternative Solutions Commodity Fund	USD 363.32 million

## **2. Impact of the withdrawal of authorisation on Shareholders of the Sub-Funds**

From the date of this notice, the Sub-Funds are no longer allowed to be marketed to the public in Hong Kong.

With effect from the Effective Date, the Company and the Sub-Funds will no longer be regulated by the SFC and will not be available for public distribution in Hong Kong.

As the Company and the Sub-Funds will cease to be authorised by the SFC in Hong Kong, existing Shareholders should note that the Hong Kong Offering Documents and other product documentation in relation to the Company and the Sub-Funds (such as fact sheets and marketing materials) previously issued to them should be retained for personal use only and should not be circulated to the public in Hong Kong from the date of this notice.

The withdrawal of authorisation of the Sub-Funds will not affect the way the Sub-Funds are managed and there will be no change to the operation or the key features of the Sub-Funds (e.g. investment objective, investment policy, fees or dealing and administrative procedures) following the withdrawal of authorisation of the Sub-Funds. The Management Company shall continue to manage the Company and the Sub-Funds in accordance with the Company's Articles of Incorporation. The Company and the Sub-Funds will continue to be subject to the supervision by the Commission de Surveillance du Secteur Financier (i.e. the Luxembourg regulator).

## **3. Costs of the withdrawal of authorisation**

The costs associated with the withdrawal of authorisation of the Company and the Sub-Funds will be borne by the Management Company, i.e. Schroder Investment Management (Europe) S.A..

## **4. Options available for Shareholders**

### **(a) Take no action**

You may remain invested in the Sub-Funds if you wish although the Sub-Funds will no longer be authorised by the SFC from the Effective Date onwards.

### **(b) Redeem your holding**

From the date of this notice, you may at any time up to and including the dealing cut-off time on 30 December 2019, redeem your holding in the Sub-Funds free of charge by following the redemption procedures set out in the Hong Kong Offering Documents. Before placing your redemption request, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time).

### **(c) Switch your holding**

From the date of this notice, you may at any time up to and including the dealing cut-off time on 30 December 2019, switch your holding in the Sub-Funds to other SFC-authorised funds offered by Schroders free of charge. Please note that SFC authorization is not a recommendation or endorsement of the relevant SFC-authorised funds nor does it guarantee the commercial merits of the relevant SFC-authorised funds or their performance. It does not mean that the relevant SFC-authorised funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

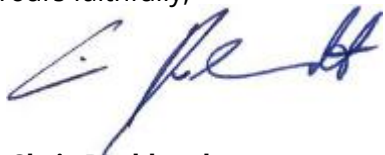
## 5. **Hong Kong Taxation**

Shareholders should note that under current law and practice in Hong Kong, the Company and the Sub-Funds are not expected to be subject to Hong Kong profits tax in accordance with the applicable provisions of the Inland Revenue Ordinance. No profits tax will be payable by Shareholders in Hong Kong in respect of dividends or other income distributions of the Company or the Sub-Funds or in respect of any gains arising on a sale, redemption or other disposal of Shares if the investments in the Company or the Sub-Funds are held as capital assets. Hong Kong profits tax may arise if the investments in the Company or the Sub Funds are held as trading assets and where such transactions form part of a trade, profession or business carried on in Hong Kong by the Shareholders. Shareholders should consult their own professional advisers on the potential taxation consequences of their transferring, selling, redemption or otherwise disposing of the Shares in the Sub-Funds.

## 6. **Enquiries**

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,



**Chris Burkhardt**  
Authorised Signatory



**Nirosha Jayawardana**  
Authorised Signatory

**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 of the fund(s) in which you are invested, 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.**

**17 June 2019**

Dear Shareholder,

### **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 our 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 by Schroder Investment Management (Europe) S.A. ("SIM EU"), the management company of the fund(s) in which you are invested, to HSBC France, Luxembourg Branch, will take effect from 1 July 2019.

The delegation of TA 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 shareholder 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,



**Nirosha Jayawardana**  
Authorised Signatory



**Chris Burkhardt**  
Authorised Signatory

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

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

<b>Management company:</b>	Schroder Investment Management (Europe) S.A.			
<b>Investment manager:</b>	Schroder Investment Management Limited, located in United Kingdom, internal delegation			
<b>Depository:</b>	J.P. Morgan Bank Luxembourg S.A.			
<b>Ongoing charges over a year* (without incorporating the performance fee)^:</b>	Class A EUR Hedged Acc	1.93%	Class A USD Acc	1.93%
	Class A GBP Hedged Acc	1.93%	Class D USD Acc	2.93%
<b>Ongoing charges over a year* (incorporating the performance fee)^:</b>	Class A EUR Hedged Acc	1.93%	Class A USD Acc	1.93%
	Class A GBP Hedged Acc	1.93%	Class D USD Acc	2.93%
<b>Dealing frequency:</b>	Daily			
<b>Base currency:</b>	USD			
<b>Dividend policy:</b>	A and D Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund.			
<b>Financial year end of this fund:</b>	30 September			
<b>Minimum investment:</b>	A and D share classes: Initial – USD10,000; Subsequent investment – USD5,000			
	For so long as the fund is authorized, the minimum level of initial subscription by each investor in Hong Kong in the fund must not be less than US\$10,000 or the currency equivalent.			

\* The ongoing charges figure is based on the expenses for the year ended 30 September 2018. This figure may vary from year to year.

^ The ongoing charges figure is calculated based on the performance fee payable for the financial year ended 30 September 2018. For details, please refer to the "Performance fee" section below.

**What is this product?**

This is a futures and options fund constituted as a sub-fund of Schroder Alternative Solutions, 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 long term capital growth by investing in commodity related instruments worldwide.

Investment Policy

The fund invests at least two-third of its assets in energy, agriculture, metals and other commodity linked instruments and commodity related derivatives worldwide.

As the fund is index-unconstrained it is managed without reference to an index.

The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. These include commodity related derivatives, such as futures (e.g. futures on commodity indices), total return swaps (e.g. swaps on physical commodities) and structured notes. 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 exposure to commodities. The gross exposure of total return swaps will not exceed 100% and is expected to remain within the range of 0% to 20% of the net asset value. In certain circumstances this proportion may be higher.

The fund also invests in commodity related equity and equity related securities, fixed income securities, convertible securities and warrants of issuers in commodity related industries. The fund may also invest in foreign currency (e.g. forward currency contracts, currency options, and swaps on currencies). The fund may invest in money market instruments and hold cash.

The fund will not acquire any physical commodities directly. Any commodity derivatives that call for physical delivery of the underlying commodity will be liquidated prior to delivery and procedures are in place to ensure that this occurs.

The fund's global exposure may not exceed 100% of its assets.

The fund may be capacity constrained and therefore the fund or some of its share classes may be closed to new subscriptions or switches in.

**Circumstances in which the Fund may use leverage and types and sources of leverage permitted**

Even in extraordinary circumstances, the use of financial derivatives will not result in the fund being leveraged, nor will they be used to engage in short selling.

## What are the key risks?

**Investment involves risk. The fund may substantially invest in various futures and option contracts and will be actively managed without reference to any specific benchmark from an asset allocation perspective. Risks inherent in the fund are not typically encountered in traditional funds. Besides the fund undertakes special risks which may lead to substantial or total loss of investments and is not suitable for investors who cannot afford to take on such risks. However the liability of investors is limited to their investment in the fund. Please refer to the offering document for details including the risk factors.**

### 1. Financial derivative instruments (“FDI”)

The fund may use FDI extensively to meet its specific investment objective. There is no guarantee that the performance of FDI 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 FDI by the fund. FDI exposure may lead to a high risk of significant capital loss. Risks associated with FDI 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 FDI 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 FDI at any time. The fund may be unable to sell illiquid FDI 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 FDI.
- **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 FDI usually have a leverage component.
- **OTC transaction risks** – FDI 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.
- **Risks related to investments in futures and options** – The fund may use futures and options and is subject to a high degree of risk. Transactions in futures can be leveraged or geared so that a relatively small market movement may have a proportionately larger impact which may work for or against the fund. The fund may sustain a loss well in excess of the premium received for transactions in options. The fund will also be exposed to the risk of the purchaser exercising the option and the fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment.
- **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.

### 2. Commodity investment

Investments in commodity-linked derivative instruments may subject the fund to greater volatility than instruments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

**3. Concentrated sector**

The fund investing in concentrated sector may be subject to a higher level of risks comparing to a fund investing in a more diversified portfolio/strategy.

**4. Concentration of investment risks**

The fund may at certain times hold relatively few investments and subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

**5. Performance fee risk**

- Performance fees may encourage the investment manager of the fund to make riskier investments than would be the case in the absence of a performance-based incentive system.
- Performance fee of the fund is calculated with reference to the outperformance per share (as described in the “Performance fee” section below). Given there is no equalisation arrangement for the calculation of the performance fee, in the event of outperformance, investors are subject to a performance fee regardless a loss in investment capital has been suffered by the investors.
- In addition, performance fees may be paid on unrealised gains which may never be realised by the fund.

**6. Risks relating to hedging and the hedged classes**

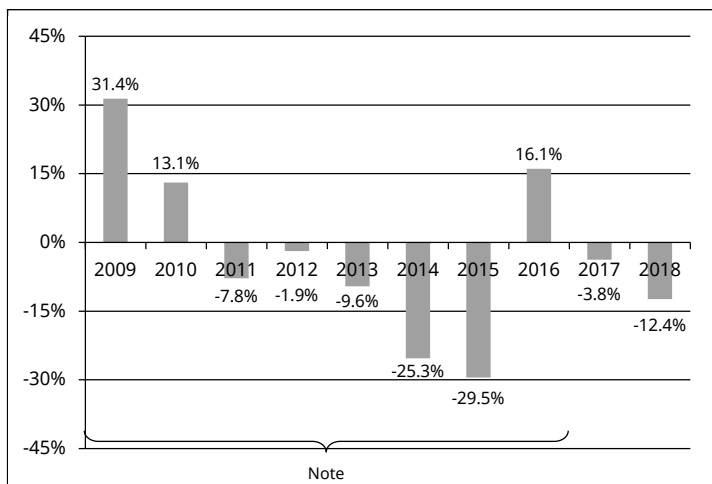
- In respect of the share classes which the management company of the fund has the ability to fully hedge the shares of such share classes in relation to the base currency, currency exposures or currency hedging transactions within the fund’s portfolio will not be considered. The aim of currency hedged 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 base 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 base currency relative to the reference currency, but it may also preclude investors from benefiting from an increase in the value of the base currency.
- There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the reference currency.

**7. Currency risks**

The shares may be denominated in currencies different from the base currency of the fund and the shares will be issued and redeemed in those currencies. Certain of the assets of the funds may also be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates and by changes in exchange rate controls. The fund will be subject to foreign exchange risks.



## 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.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 2005
- Class A USD Accumulation launch date: 2005
- The management company views the Class A USD Accumulation, being the retail share class denominated in the base currency of the fund, as the most appropriate representative share class of the fund.

Note: The performance of these years was achieved under circumstances that no longer apply. During these years, there was material change(s) to the fund, namely, reduction of fee(s).

## 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	D
Subscription fee (Initial charge)	Up to 5.00% 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.

	<b>Annual rate (as a % of the fund's value)</b>	
<b>Share class*</b>	A	D
<b>Management fee</b>	Up to 1.50%	Up to 1.50%
<b>Depository fee</b>	Up to 0.005%	
<b>Performance fee</b>	<ul style="list-style-type: none"> <li>- Performance Fee = Outperformance per share (i.e. as defined below) x average number of shares in issue over the financial year x 10%</li> <li>- Performance fee becomes due in the event of outperformance, that is, if the net asset value per share at the end of the relevant performance period exceeds the high water mark, i.e. by reference to the net asset value per share at the end of any previous performance period or if no previous performance period the net asset value per share at launch or when the performance fee was introduced,</li> </ul> <p>where</p> <p>the performance period shall normally be each financial year except that</p> <ul style="list-style-type: none"> <li>(i) where the net asset value per share as at the end of the financial year is lower than the high water mark, the performance period shall commence on the date of the high water mark, or</li> <li>(ii) where there is no previous performance period, the performance period shall commence when the performance fee was introduced.</li> </ul> <ul style="list-style-type: none"> <li>- Outperformance per share is the difference between the net asset value per share and the high water mark.</li> <li>- Performance fee is payable yearly and accrued on each dealing day on the basis of the difference between the net asset value per share on the preceding dealing day (before deduction of any provision for the performance fee) and the high water mark. On each dealing day, the accounting provision made on the preceding dealing day is adjusted to reflect the shares' performance, positive or negative, calculated as described above. If the net asset value per share on the dealing day is lower than the high water mark, the provision made on such dealing day is returned to the relevant share class within the fund. In addition, if shares are redeemed or switched out before the end of a performance period, any accrued performance with respect to such shares will crystallize on that dealing day and will then become payable.</li> <li>- For details of the performance fee calculation, please refer to "Performance Fees" section of the Prospectus and the section headed "Performance fee" in the Hong Kong Covering Document.</li> </ul>	

<b>Administration fee</b>	Up to 0.25%	
<b>Distribution fee</b>	Nil	1.00%
<b>Custody safekeeping fee</b>	Up to 0.3%	
<b>Transaction fees (charged by the depository)</b>	Up to USD150 per transaction	
<b>Fund accounting and valuation fees</b>	Up to 0.020%	

\* Where currency hedged share class is offered, a hedging charge of up to 0.03% per annum of the net asset value per share will be borne by the currency hedged share class in relation to which the charge is incurred. The hedging charge will be payable to the management company, which provides the currency hedging service.

#### Other fees

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

#### Additional information

- You generally buy and redeem shares at the fund's relevant net asset value (NAV) after Schroder Investment Management (Hong Kong) Limited receives your request, directly or via a distributor, in good order at or before 5pm HK time, being the fund's dealing cut-off time on each dealing day of the fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cutoff time (which may be earlier than the fund's dealing cut-off time).
- Past performance information of other share classes offered to Hong Kong investors is available online at [www.schroders.com.hk](http://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](http://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.