Schroders

PRODUCT KEY FACTS

Schroder International Selection Fund – Latin American

Issuer: Schroder Investment Management (Europe) S.A. **April 2021**

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			
Depositary:	J.P. Morgan Bank Luxembourg S.A.			
Ongoing charges over a year*:	Class A EUR Acc	1.88%	Class A USD Acc	1.88%
	Class A1 EUR Acc	2.38%	Class A USD Dis AV	1.88%
	Class A GBP Dis AV	1.88%	Class A1 USD Acc	2.38%
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. 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.			
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 2020. This figure may vary from year to year.

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 in excess of the MSCI Emerging Markets Latin America 10/40 (Net TR) index after fees have been deducted over a three to five year period[Note] by investing in equity and equity related securities of Latin American companies.

Investment Policy

The fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Latin American companies.

The fund typically holds 40-70 companies.

The fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies.

The fund is not subject to any limitation on the portion of its net asset value that may be invested in any country in Latin America or sector. The fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.

The fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and 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 may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.

[Note] For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the fund's performance. The "10/40" index takes into account the "5/10/40" rule applicable to a UCITS fund, which provides that a fund may invest no more than 10% of its net asset value in securities issued by the same issuing body, and the total value of all such investments which individually exceed 5% of the net asset value of the fund must not account for more than 40% of the net asset value of the fund.

Benchmark

The fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets Latin America 10/40 (Net TR) index. The fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark.

Use of derivatives / investment in derivatives

The fund's net derivative exposure may be up to 50% 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. 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, issuer-specific factors, 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. 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.

3. 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. Derivative exposure may lead to a high risk of significant capital loss. Risks associated with derivatives include credit risk and counterparty risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risks and hedging risk. The leverage element/component of derivatives can result in a loss significantly greater than the amount invested in the derivatives by the fund. 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. 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.

5. Smaller companies risk

Fund invests in smaller companies may fluctuate in value more than other funds and may be more vulnerable to adverse developments than those in larger companies. During periods where markets are falling, securities of smaller companies may become less liquid and experience short-term price volatility and wide spreads between dealing prices.

6. Risks relating to distributions

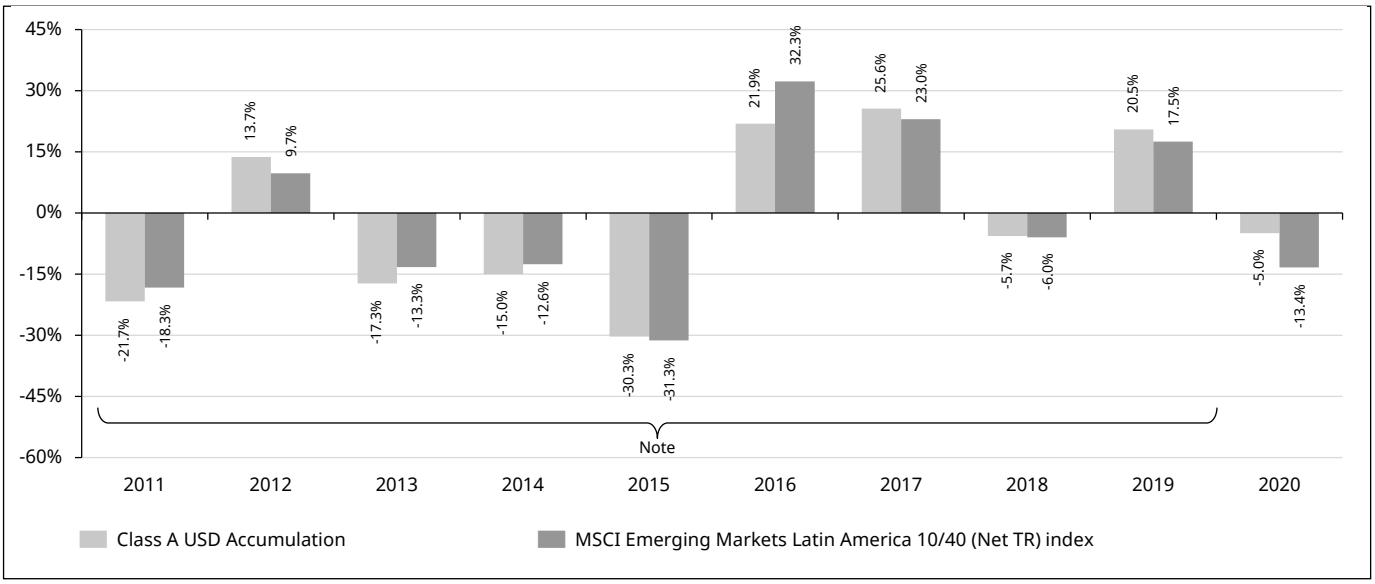
– For distribution share classes with a general dividend policy, expenses will be paid out of capital rather than out of gross income. The amount of distributable income therefore increases and the amount so increased may be considered to be dividend paid out of capital; capital growth will be reduced 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.
- **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.**

7. 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.
- Target benchmark: MSCI Emerging Markets Latin America 10/40 (Net TR) index
- Fund launch date: 1998
- 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 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 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%
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 cutoff 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 Schroders' 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.