

SCHRODER INTERNATIONAL CHOICE PORTFOLIO

PROSPECTUS

This Prospectus dated 27 August 2020 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act, Chapter 289 of Singapore and replaces the prospectus registered by the Monetary Authority of Singapore on 18 June 2020, as amended by the supplementary prospectus dated 29 June 2020.

SCHRODER INTERNATIONAL CHOICE PORTFOLIO

Directory

MANAGERS

Schroder Investment Management (Singapore) Ltd

Registered and operating address:

138 Market Street #23-01

CapitaGreen

Singapore 048946

(Company Registration Number: 199201080H)

DIRECTORS OF THE MANAGERS

Susan Soh Shin Yann

Tham Ee Mern Lilian

Wong Yoke Lin Martina

Chong Siok Chian Grace

Diao Wei Chien Roy

Lily Choh Chaw Lee

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited

10 Marina Boulevard

Marina Bay Financial Centre

Tower 2, #48-01

Singapore 018983

(Company Registration No.: 194900022R)

AUDITORS

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

SOLICITORS TO THE MANAGERS

Allen & Gledhill LLP

One Marina Boulevard

#28-00

Singapore 018989

SOLICITORS TO THE TRUSTEE

Shook Lin & Bok LLP

1 Robinson Road

#18-00 AIA Tower

Singapore 048542

SCHRODER INTERNATIONAL CHOICE PORTFOLIO

Important Information

Schroder Investment Management (Singapore) Ltd, the managers (the “**Managers**”) of the Schroder International Choice Portfolio (the “**Trust**”), accepts full responsibility for the accuracy of the information contained in this Prospectus 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 herein misleading in any material respect.

You, as the investor, should refer to the relevant provisions of the trust deed relating to the Trust (as may be amended, supplemented or modified from time to time) (the “**Deed**”) and obtain professional advice if there is any doubt or ambiguity relating thereto. You may inspect a copy of the Deed at the Managers' office at all times during usual business hours (subject to such reasonable restrictions as the Managers may impose).

Currently, the Schroder Emerging Markets Fund (a sub-fund of the Trust) invests into Schroder International Selection Fund Emerging Markets (“**Schroder ISF Emerging Markets**”), a sub-fund of the Schroder International Selection Fund, SICAV (“**Schroder ISF**”) as set out in Clause 14 of this Prospectus. The Schroder ISF is organised as a “société anonyme” and qualifies as a SICAV under Part I of the Luxembourg law on undertakings for collective investment dated 17 December 2010.

As at the date of registration of this Prospectus, the Schroder ISF Emerging Markets may invest in financial derivatives for purposes other than hedging and/or efficient portfolio management in accordance with the Schroder ISF’s Luxembourg Prospectus and applicable laws in Luxembourg.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of units in the Trust as contemplated herein. All capitalised terms and expressions used in this Prospectus shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed.

Before investing, you should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange transactions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of units in the Trust and should inform yourself of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to you. You should also consider the risks of investing in the Trust as set out in Part IX of this Prospectus.

No application has been made for the units in the Trust to be listed on any stock exchange. You can purchase or sell units in the Trust from or through the Managers or any agent or distributor appointed by the Managers in accordance with the provisions of the Deed.

As the Trust is not registered under the United States Securities Act of 1933 (the “**Securities Act**”) or under the securities laws of any state of the United States of America (“**United States**”), the sub-funds established within the Trust (each a “**Sub-Fund**” and collectively, the “**Sub-Funds**”) may not be offered or sold to or for the account of any US Person (as defined in Rule 902 of Regulation S under the Securities Act).

Rule 902 of Regulation S under the Securities Act defines a US Person to include, inter alia, any natural person resident in the United States and with regards to investors other than individuals (i) a corporation or partnership organised or incorporated under the laws of the United States or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one (1) or more United States fiduciaries have the authority to control all substantial decisions of the trust; and (iii) an estate: (a) which is subject to United States tax on its worldwide income from all sources or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term “**US Person**” also means any entity organised principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by “**accredited investors**” (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

“**United States**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

You should also refer to Clause 55 of this Prospectus for information on the US tax reporting obligations under FATCA (as defined in Clause 55 of this Prospectus).

No person, other than the Managers, has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, subscription or sale of units in the Trust, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Managers.

You should note that as of the date of registration of this Prospectus, the Schroder Asian Equity Yield Fund is a Qualifying CIS¹ under the ASEAN CIS Framework².

The units of each of the Sub-Funds are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

¹ “**Qualifying CIS**” means a collective investment scheme constituted or established in its home jurisdiction which has been approved by its home regulator for offer to the public in the home jurisdiction, and assessed by its home regulator as suitable to apply to a host regulator for its units to be offered to the public cross-border in the host jurisdiction pursuant to the ASEAN CIS Framework.

² “**ASEAN CIS Framework**” means the streamlined authorisation framework for the cross-border offer of ASEAN collective investment schemes developed pursuant to the ACMF’s Implementation Plan endorsed at the 13th ASEAN Finance Ministers’ Meeting. “**ACMF**” means the ASEAN Capital Markets Forum.

If you are in doubt as to your status, you should consult your financial or other professional adviser.

You should direct all enquiries relating to the Trust to the Managers, Schroder Investment Management (Singapore) Ltd, or any agent or distributor appointed by the Managers.

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SCHRODER INTERNATIONAL CHOICE PORTFOLIO

The collective investment schemes offered in this Prospectus are authorised schemes under the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). A copy of this Prospectus has been lodged with, and where applicable registered by, the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of the prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the collective investment schemes.

I. BASIC INFORMATION

1. Name of fund : **SCHRODER INTERNATIONAL CHOICE PORTFOLIO** (the “Trust”)

The Sub-Funds currently available for subscription are set out in Clause 14.

The Trust is an umbrella unit trust constituted in Singapore.

2. This Prospectus is a replacement prospectus lodged with the Authority on 27 August 2020. It replaces the prospectus that was registered by the Authority on 18 June 2020, as amended by the supplementary prospectus dated 29 June 2020, and shall be valid for 12 months after the date of registration (i.e., up to and including 17 June 2021) and shall expire on 18 June 2021.

3. Trust Deed and Supplemental Deeds

The original Trust Deed has been modified, amended and restated by the Supplemental Deeds and the Amended and Restated Deeds respectively as follows (the “Deed”):

Original Trust Deed	25 May 1998
1st Supplemental Deed	18 November 1998
2nd Supplemental Deed	30 March 1999
3rd Supplemental Deed	10 January 2000
4th Supplemental Deed	26 June 2000
5th Supplemental Deed	6 February 2001
6th Supplemental Deed	21 February 2001
7th Supplemental Deed	14 January 2002
8th Supplemental Deed	25 June 2002
1st Amended and Restated Deed	28 February 2003
2nd Amended and Restated Deed	10 June 2003
3rd Amended and Restated Deed	1 July 2003

4th Amended and Restated Deed	28 April 2004
5th Amended and Restated Deed	27 August 2004
6th Amended and Restated Deed	24 November 2004
7th Amended and Restated Deed	18 April 2005
8th Amended and Restated Deed	22 August 2005
9th Amended and Restated Deed	7 October 2005
10th Amended and Restated Deed	13 October 2006
11th Amended and Restated Deed	10 August 2007
12th Amended and Restated Deed	17 December 2007
13th Amended and Restated Deed	2 June 2009
14th Amended and Restated Deed	1 September 2009

(each entered into between Schroder Investment Management (Singapore) Ltd (the “**Managers**”) and OCBC Trustee Limited (the “**Retired Trustee**”));

Supplemental Deed of Appointment and Retirement of Trustee 11 December 2009

(entered into between the Managers, the Retired Trustee and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”)); and

Fifteenth Amending and Restating Deed	1 January 2010
Ninth Supplemental Deed	26 March 2010
Sixteenth Amending and Restating Deed	2 June 2010
Seventeenth Amending and Restating Deed	23 July 2010
Tenth Supplemental Deed	8 November 2010
Eighteenth Amending and Restating Deed	14 December 2010
19th Amending and Restating Deed	19 September 2011
First Supplemental Deed	19 January 2012
20th Amending and Restating Deed	19 June 2012
21st Amending and Restating Deed	27 February 2013
Second Supplemental Deed	5 December 2013
Third Supplemental Deed	27 November 2014
Fourth Supplemental Deed	10 April 2015
22nd Amending and Restating Deed	5 February 2016
23rd Amending and Restating Deed	7 March 2016

24th Amending and Restating Deed	1 June 2016
First Supplemental Deed	14 July 2016
Second Supplemental Deed	18 November 2016
Third Supplemental Deed	11 May 2017
25th Amending and Restating Deed	20 June 2018
Fourth Supplemental Deed	26 June 2018
26th Amending and Restating Deed	25 July 2018
Fifth Supplemental Deed	14 January 2019
27th Amending and Restating Deed	27 August 2020

(each entered into between the Managers and the Trustee).

You may inspect a copy of the Deed at the Managers' registered office (during usual business hours) at 138 Market Street #23-01 CapitaGreen, Singapore 048946. The Managers may impose a fee of up to S\$25 for each copy of the Deed requested.

4. Reports and Accounts

You may obtain copies of the latest annual and semi-annual accounts, the auditor's report on the annual accounts and the annual and semi-annual reports relating to the Trust from the Managers' registered office.

II. THE MANAGERS AND DELEGATED FUNCTIONS

5. The managers of the Trust are Schroder Investment Management (Singapore) Ltd.

6. Track record of the Managers and the managers of the Schroder ISF Emerging Markets

The Managers were incorporated in Singapore and have been managing collective investment schemes and discretionary funds since 1992. The Managers are part of the Schroder group (“**Schroders**”). The Managers are licensed and regulated by the Authority.

Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s.

Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959 and is regulated by the United Kingdom Financial Conduct Authority.

Schroders aims to apply its specialist asset management skills in serving the needs of its clients worldwide, through its large network of offices and over 500 portfolio managers and analysts covering the world's investment markets.

The Managers shall be subject to removal by the Trustee if the Managers go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in respect of any of their assets. Subject to section 295 of the SFA, the Trust may be

terminated by the Trustee if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in respect of any of their assets or if any encumbrancer shall take possession of any of their assets.

Please refer to the Deed for further information on the role and responsibilities of the Managers and what happens if they become insolvent.

Schroder Investment Management (Europe) S.A., the management company of Schroder ISF, is domiciled in Luxembourg and has been involved in fund management since 2005. Schroder Investment Management (Europe) S.A. is licensed and regulated by the Commission de Surveillance du Secteur Financier (“**Luxembourg CSSF**”).

Schroder Investment Management Limited (“**SIML**”) is domiciled in the United Kingdom and has been managing funds since 1985. SIML is licensed and regulated by the United Kingdom Financial Conduct Authority.

The Managers, Schroder Investment Management (Europe) S.A. and SIML are wholly-owned subsidiaries of Schroders Plc.

The Schroder Emerging Markets Fund invests into the Schroder ISF Emerging Markets. The investment manager of the Schroder ISF Emerging Markets is SIML.

You should note that past performance of the Managers, Schroder Investment Management (Europe) S.A. and SIML is not necessarily indicative of their future performance.

7. Directors and key executive of the Managers

(i) Susan Soh Shin Yann - Director

Susan is the Managing Director of the Managers and is the Country Head of Singapore. She joined the Managers in May 2005 as the Head of Distribution, Singapore, heading up both institutional and retail intermediary sales for South East Asia.

Prior to joining Schroders, Susan worked in various companies handling product management as well as distribution of fund management products and structured derivatives. Her career commenced in 1985 when she joined a public accounting firm as an auditor.

Susan is a Chartered Accountant (Singapore) and a member of the Institute of Singapore Chartered Accountants. Susan holds a Bachelor of Accountancy from the National University of Singapore.

(ii) Tham Ee Mern Lilian - Director

Lilian holds the positions of Head of Operations & IT for Asia Pacific and Chief Operating Officer for Singapore, at the Managers. She joined Schroders in 1994.

Currently, Lilian is based in Singapore with regional responsibilities that encompass Portfolio Services, Fund Services and Information Technology. She is also responsible for Corporate Services in Singapore. Between 1996 and 2004, Lilian

headed the Technology function across the investment banking and asset management businesses in South East Asia. Her responsibilities expanded to include managing Technology in North Asia following the sale of the investment bank. Lilian was appointed Head of Operations & Technology for Asia Pacific in 2004, and later in 2007, became Chief Operating Officer for Singapore. In October 2019, she was appointed Chief Operating Officer for Asia Pacific.

Lilian holds a Bachelor of Science in Information Systems from the National University of Singapore.

(iii) Wong Yoke Lin Martina - Director

Martina is the Head of Finance, Asia Pacific at the Managers. She joined Schroders in July 2014.

Martina served as the General Manager of The Straits Times School Pocket Money Fund prior to joining Schroders. She commenced her career in the financial industry with the predecessor firm of Merrill Lynch (Smith New Court) in 1989. She served in various capacities at Merrill Lynch Singapore, including as Chief Administrative Officer and as Chief Financial Officer. From June 2003 to December 2008, she was the Chief Executive Officer of Merrill Lynch Singapore. After leaving Merrill Lynch Singapore, she also held the position of Senior Vice President, Head of Finance with the Singapore Exchange Ltd.

Martina is a Chartered Accountant (Singapore) and a member of the Institute of Singapore Chartered Accountants. She graduated with a Bachelor in Accountancy from the National University of Singapore.

(iv) Chong Siok Chian Grace - Director

Grace holds the position of Head of Compliance, Asia Pacific at the Managers. She joined the Managers as Head of Compliance, Singapore in July 2007.

Grace worked in public & private organisations in the financial sector and was a Deputy Director at the Monetary Authority of Singapore before she joined Schroders. Her career commenced in 1990 when she joined PriceWaterhouse as an auditor.

Grace is a Chartered Accountant (Singapore) and a member of the Institute of Singapore Chartered Accountants. She holds a Masters in Business Administration (Banking & Finance – Dean's List) from the Nanyang Business School and a Bachelor of Accountancy from the National University of Singapore.

(v) Diao Wei Chien Roy - Director

Roy is the Head of Asian Fixed Income at the Managers. He has more than 30 years of investment experience and was the Chief Executive Officer (“CEO”) and Head of Business Development at Oddo Meriten Asset Management Asia before joining Schroders in July 2017.

Prior to that, Roy was the CEO for BNP Paribas Investment Partners Singapore. During the 1990s, Roy joined Fischer Francis Trees & Watts, Singapore as a Senior Portfolio Manager, before becoming a Managing Director as well as the Head of

Business Development and Client Services, Asia ex Japan. He started his investment career as an Associate with JP Morgan & Co., New York (“**JPM NY**”), before becoming the Vice President of Asian Foreign Exchange and an interest rate trader at JP Morgan & Co., Singapore and subsequently the Vice President of Asian Foreign Exchange and an interest rate product manager at JPM NY.

Roy holds a Bachelor of Science in Applied Mathematics and Economics from Brown University in the United States of America (“**USA**”).

(vi) Lily Choh Chaw Lee - Director

Lily holds the positions of Deputy CEO and Head of Institutional for Asia Pacific at the Manager. She joined Schroders as Head of Institutional Business in 2008 to lead business development for the Manager’s Southeast Asian institutional business. She was appointed as Head of Distribution for Southeast Asia in 2017 whereby she was responsible for the management of the institutional and intermediary business, strategic partnership and activities across Southeast Asia. She was appointed Head of Institutional for Asia Pacific in 2019 and Deputy CEO in 2020.

Lily was previously a Senior Research Consultant at Mercer prior to joining Schroders, overseeing Asia ex Japan equity and Asian Fixed Income manager research. She also previously chaired the Asia Pacific rating review committee in Mercer. Prior to joining Mercer, she was with the Government of Singapore Investment Corporation from 1998 to 2004. Her responsibilities included appointing and managing external fund managers in public markets to enhance investment returns, capabilities and harness investment insights.

Lily holds a Bachelor of Science in Chemistry from the National University of Singapore. She is also a Chartered Financial Analyst.

(vii) Lee King Fuei - Key Executive

King Fuei is currently a fund manager responsible for managing Asian Total Return and Asian Yield mandates at the Managers. His investment career commenced upon joining the Managers in 1999. Prior to his current role, he was with the Global Equities team in the London office before transferring to the Asian Equities team in Singapore in December 2011.

King Fuei holds a Masters in Philosophy in Economics from Cambridge University and a Bachelor of Science in Economics (First Class Honours) from London School of Economics. He is also a Chartered Financial Analyst charterholder.

King Fuei is a key executive of the Managers in relation to the Sub-Funds.

8. The Managers have delegated their accounting and valuation functions in respect of each Sub-Fund to HSBC Institutional Trust Services (Singapore) Limited.

III. THE TRUSTEE AND THE CUSTODIAN

9. The trustee of the Trust is HSBC Institutional Trust Services (Singapore) Limited whose registered office is at 10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983. The Trustee is regulated in Singapore by the Authority.

10. If the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Managers) or if a receiver or judicial manager is appointed in respect of any of its assets, the Managers shall forthwith remove the Trustee from its appointment under the Deed and shall appoint as trustee of the Trust some other trustee duly approved as may be required by the law for the time being applicable to the Deed and (for so long as the Schroder Asian Equity Yield Fund is a Qualifying CIS) which complies with the relevant requirements under the Standards of Qualifying CIS.

Please refer to the Deed for further information on the role and responsibilities of the Trustee and what happens if it becomes insolvent.

11. The custodian of the Trust is The Hongkong and Shanghai Banking Corporation Limited (the "**Custodian**") whose registered office is at 1 Queen's Road Central, Hong Kong. The Custodian is regulated by the Hong Kong Monetary Authority and authorised as a registered institution by the Securities and Futures Commission of Hong Kong.

The Trustee has appointed the Custodian as the global custodian to provide custodial services to the Trust globally. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian's duties in specific jurisdictions where the Trust invests.

The Custodian is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the Custodian shall act in good faith and use reasonable care in the selection and monitoring of its selected sub-custodians.

The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of the Custodian in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors such as financial strength, reputation in the market, systems capability, operational and technical expertise. All sub-custodians appointed shall be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

If the Custodian becomes insolvent, the Trustee may by notice in writing, terminate the custodian agreement entered into with the Custodian and appoint such person as the new custodian to provide custodial services to the Trust globally.

IV. OTHER PARTIES

12. Registrar and Transfer Agent

The registrar for the Trust is the Trustee who has delegated the registrar's function to The Hongkong and Shanghai Banking Corporation Limited ("**HBAP**"). HBAP has in turn delegated its duties in relation to maintaining the register of Holders of each Sub-Fund (the "**Register**") to HSBC France, Luxembourg Branch ("**HSBC Lux**"). HSBC Lux has in turn delegated its duties in relation to maintaining the Register to Schroder Investment Management (Hong Kong) Limited ("**SIMHK**"). Holders may inspect the Register at 138 Market Street, #23-01, CapitaGreen, Singapore 048946 during usual business hours subject to such reasonable closure of the Register and such restrictions as the Managers or the Trustee may impose.

The Register is conclusive evidence of the number of Units held by each Holder.

The transfer agent for the Trust is the Managers. The Managers has delegated its transfer agent's functions to HBAP. HBAP has in turn delegated its duties to HSBC Lux. HSBC Lux has in turn delegated its duties as transfer agent to SIMHK.

13. Auditors

The auditors of the Trust are PricewaterhouseCoopers LLP of 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936.

V. STRUCTURE OF THE TRUST

14. The Trust is structured as an umbrella fund.

Units in the following Sub-Funds are currently available for subscription:-

- Schroder Emerging Markets Fund
- Schroder Asian Equity Yield Fund

The Schroder Asian Equity Yield Fund is a direct investment fund. It is the Managers' current policy that the Schroder Emerging Markets Fund will be a “**feeder fund**” investing primarily into the Schroder ISF Emerging Markets, which is a sub-fund of the Schroder ISF, an open-ended investment company incorporated in Luxembourg. The Schroder ISF qualifies as a SICAV under Part I of the Luxembourg law on undertakings for collective investment dated 17 December 2010.

The Managers may establish Classes of Units within each Sub-Fund. Different Classes within a Sub-Fund will have different features. Where a new Class of a Sub-Fund is established, the Managers may at their discretion re-designate existing Units of that Sub-Fund as a new Class. However, each new Class shall not constitute a separate trust from the Sub-Fund within which it is established nor from existing Classes (if any) within the Sub-Fund.

Please refer to the below table which sets out the availability of the different types of Classes of Units within each Sub-Fund and the target investor for each Class of Unit.

Class	Target Investor
A	All investors
O	Insurance companies, fund management companies and such other persons as the Managers may from time to time determine in their sole discretion.

The Managers are offering the following Classes in the following Sub-Funds:

<u>Sub-Fund</u>	<u>Class</u>	<u>Currency of Class</u>
Schroder Asian Equity Yield Fund	Class A	Singapore dollar (“SGD”)
	Class O	SGD

For the Schroder Asian Equity Yield Fund, the Classes differ in terms of the currency of denomination, minimum switching fee, hedging feature, minimum initial investment amount, minimum subsequent investment amount, minimum holding amount, minimum realisation amount, distribution policy, availability of switching and availability of a Monthly Investment Plan. Any expense, income and/or gain which is attributable to a particular Class shall be deducted from or added to (as the case may be) the value of the Schroder Asian Equity Yield Fund which is attributable to that Class.

VI. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

15. The investment objectives, focus, approach and other features specific to each Sub-Fund are set out in the following Appendices:-

Sub-Fund	<u>Appendix</u>
Schroder Emerging Markets Fund	1
Schroder Asian Equity Yield Fund	2

VII. CPF INVESTMENT SCHEME

16. The Schroder Asian Equity Yield Fund is included under the CPFIS. Details are set out in Appendix 2.

The CPF interest rate for the CPF ordinary account is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the CPF Board pays a minimum interest rate of 2.5% per annum when this interest formula yields a lower rate.

Savings in the CPF-SA and CPF medisave account (“**SMA**”) are invested in Special Singapore Government Securities (SSGS) which earn an interest rate pegged to either the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%, or 4% per annum whichever is the higher, adjusted quarterly.

New CPF retirement account (“**RA**”) savings are invested in SSGS which earn a fixed coupon rate equal to either the 12-month average yield of the 10YSGS plus 1% computed for the year, or 4% per annum, whichever is the higher. The interest credited to the RA is based on the weighted average interest rate of the entire portfolio of these SSGS invested using new and existing RA savings and is adjusted yearly in January.

As announced in September 2019, the Singapore government will maintain the 4% per annum minimum rate for interest earned on all SMA and RA monies until 31 December 2020. Thereafter, interest rates on all CPF account monies will be subject to a minimum rate of 2.5% per annum.

The first \$60,000 of a CPF member’s combined CPF accounts earns an extra 1% per annum interest. To enable members to earn extra interest, only monies in excess of \$20,000 in a member’s CPF-OA and \$40,000 in the member’s CPF-SA can be invested.

You should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

Subscriptions using CPF Contributions shall at all times be subject to the Regulations and such directives or requirements imposed by the CPF Board from time to time.

VIII. FEES AND CHARGES

17. The fees and charges payable in relation to each Sub-Fund are set out below:

Fees payable by the Holders of each Sub-Fund

Initial Sales Charge	<p><u>Cash Units and SRS Units:</u> Up to 5% of the Gross Investment Sum (maximum 5%).</p> <p><u>CPF Units:</u> Prior to 1 October 2020: Up to 1.5% of the Gross Investment Sum (maximum 1.5%) With effect from 1 October 2020³: Nil</p>
Realisation Charge	Currently nil (maximum 4%)
Switching Fee	Currently 1% (maximum of 1% and minimum of S\$5 (or such amount as may from time to time be determined by the Managers))

³ The effective date is subject to changes as may be determined by the CPF Board.

Fees payable by the Sub-Funds[^]

Name of Sub-Fund	Management Fee* (per annum)	Trustee Fee* (per annum)	Fees applicable at the Schroder ISF level [#] (per annum)		
			Management Fee	Custody Fee	Administration Fee
Schroder Emerging Markets Fund	Currently 0% (maximum 1.75%)	Currently not more than 0.05% (currently not subject to any minimum amount) Maximum 0.25%,	1.50% (a) Retained by Managers 35% to 100% of Management Fee (b) Paid by Managers to financial adviser (trailer fee) 0% to 65% ⁴ of Management Fee	Up to 0.30%	Up to 0.25%
Schroder Asian Equity Yield Fund [@] (a) Retained by Managers (b) Paid by Managers to financial adviser (trailer fee)	Currently 1.5% (maximum 1.75%) - (a) 35% to 100% of Management Fee - (b) 0% to 65% ⁴ of Management Fee		N.A.	N.A.	N.A.

* The Management Fee and Trustee Fee are expressed as a percentage per annum of each Sub-Fund's or Class' daily net assets during the year.

⁴ Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.

- # The fees at the Schroder ISF level are expressed as a percentage per annum of the net assets of the respective Schroder ISF sub-fund.
- @ In accordance with the Standards of Qualifying CIS⁵ and for so long as the Schroder Asian Equity Yield Fund is a Qualifying CIS, no performance fee will be charged in respect of the Schroder Asian Equity Yield Fund.
- ^ All fees applicable to the Sub-Funds are calculated prior to any dilution adjustments. Please refer to paragraph 43 of the Prospectus for more details on dilution adjustment.

The Managers may at any time differentiate between investors as to the amount of the Initial Sales Charge, Realisation Charge (if any) and Switching Fee payable (subject to the maximum permitted under the Deed) or allow discounts on such basis or on such scale as the Managers shall deem fit. The Initial Sales Charge, Realisation Charge (if any) and Switching Fee will be retained by the Managers for their own benefit.

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

In the case of Schroder Emerging Markets Fund, you should note that you may also invest directly in the Schroder ISF Emerging Markets which has been recognised under the SFA, in accordance with the provisions of the existing Schroder ISF Singapore prospectus (available from the Managers or their distributors). Such investment would be in the relevant currency of the Schroder ISF Emerging Markets (which may not be SGD) and less fees may be payable thereunder.

IX. RISKS, FINANCIAL DERIVATIVES, RISK MANAGEMENT PROCESS AND SUPPLEMENTARY INFORMATION

18. General Risks

Investments into the Sub-Funds will be subject to different degrees of economic, political, foreign exchange, interest rate, liquidity, repatriation, default and regulatory risks depending on the relevant Sub-Fund invested into.

You should be aware that the price of Units and the income from them may go down as well as up. The performance of the Sub-Funds may be affected by changes in the market value of securities comprised in the portfolio which are subject to changes in interest rates, economic and political conditions and the earnings growth of corporations whose securities are comprised in the portfolio and is also subject to liquidity and repatriation risks.

While the Managers believe that the Sub-Funds offer potential for capital appreciation, no assurance is given that this objective will be achieved. Past performance of a Sub-Fund is not necessarily a guide to the future performance of the Sub-Fund. You may not get back your original investment and your principal may be at risk.

⁵ **Standards of Qualifying CIS** means a set of rules and regulations as agreed (and as may be amended from time to time) amongst the ACMF Members, which governs the operation of the ASEAN CIS Framework, and published at <http://www.theacmf.org/>. **ACMF Member** means the securities regulator of the respective ASEAN jurisdiction, and collectively, the **ACMF Members**.

Investments in the Sub-Funds are meant to produce returns over the long-term and are not suitable for short-term speculation. You should not expect to obtain short-term gains from such investment.

19. Specific Risks

Investments in the Sub-Funds are subject to the following risks:-

(i) *Market Risk*

A Sub-Fund or an underlying fund of a Sub-Fund is exposed to the market risk in the regions in which it invests. The value of investments by a Sub-Fund or an underlying fund of a Sub-Fund may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

(ii) *Equity Risk*

A Sub Fund or an underlying fund of a Sub-Fund (as the case may be) 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 fixed income securities. Certain Sub-Funds or underlying funds of the relevant Sub-Funds may also invest in convertible instruments which may be converted into equity. A convertible instrument tends to yield a fairly stable return before conversion but its price usually has a greater volatility than that of the underlying equity.

(iii) *Liquidity Risk*

There is no secondary market for a Sub-Fund. All redemption requests should be submitted to the Managers or their appointed agents. In difficult market conditions, a Sub-Fund or an underlying fund of a Sub-Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the relevant Sub-Fund or underlying fund of the relevant Sub-Fund to defer or suspend redemptions of its Units or shares respectively.

(iv) *Currency Risk*

The assets and liabilities of a Sub-Fund may be denominated in currencies other than the Sub-Fund's base currency (i.e. SGD) or the currency of denomination of a Class within the Sub-Fund (the "**Class Currency**") (as the case may be). A Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency of the Sub-Fund or the relevant Class Currency (as the case may be) and such other currencies. There is the prospect of additional loss (or the prospect of additional gain) to you greater than the usual risks of investment. You may therefore be exposed to exchange rate risks. If the currency in which a security is denominated appreciates against the base currency of the Sub-Fund or the relevant Class Currency (as the case may be), the value of the security would increase. Conversely, a decline in the currency in which a security is denominated against the base currency of the Sub-Fund or the relevant Class Currency (as the case may be) would adversely affect the value of the security. The Managers may at their discretion manage the currency risks by hedging through forward currency contracts, currency futures, currency swap agreements or currency

options. The currency derivative instruments which may be employed are subject to the risk of default by the counterparty. If the counterparty defaults, the unrealised gain on the transaction as well as some of the desired market exposure may be lost. A Sub-Fund or an underlying fund of a Sub-Fund may be exposed to different currencies, and changes in the exchange rates of these currencies could result in losses. You should note that there is no assurance that the currency risks of a Sub-Fund or an underlying fund of a Sub-Fund will be fully hedged.

(v) *Interest Rate Risk*

Investments in fixed income securities, debentures, loan stocks, convertibles and other debt instruments may decline in value if interest rates change. In general, the price or value of existing debt instruments rises when interest rates fall, and falls when interest rates rise. Interest rate risk is generally greater for investments with long durations or maturities.

(vi) *Credit Risk*

A Sub-Fund is subject to the risk that some issuers of debt securities and other investments made by the Sub-Fund may not make payments on such obligations. Further, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of the Sub-Fund. A change in the quality rating of a security can also affect the security's liquidity and make it more difficult to sell.

(vii) *Foreign Securities Risk*

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 the investor's 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. Some of the securities in a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the value of securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses.

(viii) *Industry Risk*

The value of the Units in a Sub-Fund will be susceptible to factors affecting the respective industries that they cover and may be subject to greater risks and market volatility than an investment in a broader range of securities covering various economic sectors.

(ix) *Emerging Markets and Frontier Risk*

Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk. A Sub-Fund that invests in emerging and less developed market securities, like the Schroder Emerging Markets Fund, may be subject to significant risks not typically associated with investing in securities listed on the major securities markets in developed countries, including but not limited to (a) restrictions on foreign investment and on repatriation of capital invested in emerging markets, (b) currency fluctuations, (c) the cost of converting foreign currency into the base currency of the Sub-Fund, (d) potential price volatility and reduced liquidity of securities traded in emerging markets, (e) political uncertainty, economic, market, settlement, legal, regulatory, social, instability, operational, execution and counterparty risks, including the risk of nationalisation or expropriation of assets and more substantial government involvement in the economy, (f) risk arising from inadequate settlement and custody systems in certain countries and (g) risk arising from less defined tax laws and procedures. As a result, prices of securities traded in the securities markets of emerging or developing countries tend to be volatile.

(x) *Leverage Risk*

An underlying fund of a Sub-Fund may use financial derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

(xi) *Operational Risk*

In respect of a Sub-Fund or an underlying fund of a Sub-Fund, failures at service providers could lead to disruptions of fund operations or losses.

(xii) *Counterparty Risk*

The counterparty to a financial derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to a Sub-Fund or an underlying fund of a Sub-Fund, potentially creating a partial or total loss for such Sub-Fund or underlying fund of the relevant Sub-Fund.

(xiii) *Small Cap Liquidity Risk*

In respect of the Schroder Asian Equity Yield Fund, investments in small companies can be difficult to sell quickly which may affect the value of the Schroder Asian Equity Yield Fund and, in extreme market conditions, its ability to meet redemption requests upon demand.

(xiv) *Money market and deposit risk*

A failure of a deposit institution or an issuer of a money market investment could create losses for the relevant Sub-Fund.

(xv) *Risks Specific to China*

Any significant change in mainland China's political, social or economic policies may have a negative impact on investments in the China market. The regulatory and legal

framework for capital markets in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. You should also be aware that changes in mainland China's taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the relevant Sub-Fund or the underlying fund of the relevant Sub-Fund. In respect of the Schroder Emerging Markets Fund and the Schroder Asian Equity Yield Fund, changes in China's political, legal, economic or tax policies could cause losses or higher costs for these Sub-Funds or the underlying fund of the Sub-Fund.

- (xvi) *Risks associated with investing through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect*

The Schroder Asian Equity Yield Fund and the Schroder ISF Emerging Markets (collectively referred to as the “**Relevant Funds**”) 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 this Prospectus). In addition to the risk factors headed “**Market Risk**”, “**Currency Risk**” and “**Emerging Markets and Frontier Risk**” in Clauses 19(i), 19(iv) and 19(ix) above, the Relevant Funds are also subject to the additional risks set out in the Annex to this Prospectus.

- (xvii) *RMB Currency Risk*

In respect of the Relevant Funds which may invest in China A-Shares of mainland China through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect and/or other means as may be permitted by the relevant regulations from time to time, you should note that Renminbi (“**RMB**”) is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government. The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions.

While RMB (CNH) and RMB (CNY) represent the same currency, they are traded in different and separate markets which operate independently. As such, RMB (CNH) does not necessarily have the same exchange rate and may not move in the same direction as RMB (CNY).

- (xviii) *Risks relating to China A-shares and China B-shares*

The mainland China markets on which China A-shares and China B-shares are traded have in the past experienced substantial price volatility and there can be no assurance that such volatility will not occur in the future. These markets may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention) than markets in more developed countries. Market volatility and potential lack of liquidity (for example, low liquidity in respect of China B-shares

due to low trading volume) may result in prices of securities traded on the mainland China markets to fluctuate significantly. As a result, the net asset value of the Schroder Emerging Markets Fund and the Schroder Asian Equity Yield Fund may be adversely affected.

(xix) *Onshore Renminbi currency risk*

In respect of the Schroder Emerging Markets Fund and the Schroder Asian Equity Yield Fund, currency control decisions made by the Chinese government could affect the value of the investments of the Sub-Fund or the underlying fund of the Sub-Fund, and could cause the Sub-Fund or the underlying fund of the Sub-Fund to defer or suspend redemptions of its Units or shares (as the case may be).

The above is not an exhaustive list of the risks which you as the potential investor should consider before investing in the Sub-Funds.

Financial Derivatives

(a) Types of Financial Derivatives used by a Schroder ISF sub-fund

The financial derivatives which may be used by a Schroder ISF sub-fund include, but are not limited to, options on securities, stock index options, forward currency contracts, currency futures, currency swap agreements, currency options, interest rate futures or options or interest rate swaps, financial or index futures, over-the-counter options, credit default swaps, equity swaps or futures or options on any kind of financial instrument.

A Schroder ISF sub-fund may also enter into volatility futures and options transactions traded on a regulated market. These instruments measure market expectations of near term implied volatility conveyed by stock index prices and are used to hedge volatility within funds. Any such index has to meet the following requirements:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

(b) Exposure to Financial Derivatives by a Schroder ISF sub-fund

The global exposure of a Schroder ISF sub-fund relating to financial derivatives is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

The global exposure of a Schroder ISF sub-fund to financial derivatives will not exceed the total net assets of such Schroder ISF sub-fund. The Schroder ISF sub-fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10%

by means of temporary borrowings⁶ so that it may not exceed 210% of any Schroder ISF sub-fund's total net assets under any circumstances.

(c) Use of Financial Derivatives by a Schroder ISF sub-fund

As at the date of registration of this Prospectus, a Schroder ISF sub-fund may invest in financial derivatives for purposes other than hedging and/or efficient portfolio management in accordance with the Schroder ISF's Luxembourg Prospectus and the limits and conditions on the use of financial derivatives under applicable laws in Luxembourg.

(d) Risks on use of Financial Derivatives by a Schroder ISF sub-fund

The use of financial derivatives involves increased risks. The ability to use such instruments successfully depends on the relevant investment 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 relevant investment manager's predictions are wrong, or if the financial derivatives do not work as anticipated, the relevant Schroder ISF sub-fund could suffer greater losses than if that Schroder ISF sub-fund had not use the financial derivatives. If a Schroder ISF sub-fund invests in over-the-counter financial derivatives, there is increased risk that a counterparty may fail to honour its contract. If the relevant investment manager uses such instruments, they are of the view that they have the necessary expertise to control and manage the use of financial derivatives. Investments in financial derivatives would normally be monitored and controlled by the relevant investment manager with regular mark-to-market valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions and limits set out in the Schroder ISF's Luxembourg Prospectus with regard to financial derivatives.

(e) Risks on use of Financial Derivatives by a Sub-Fund

A Sub-Fund may use or invest in financial derivatives for the purpose of optimising returns, hedging and/or efficient portfolio management. Where such financial derivatives are financial derivatives on commodities, such transactions shall be settled in cash at all times. The use of futures, options, warrants, forwards, swaps or swap options involves increased risks. A Sub-Fund's ability to use such instruments successfully depends on the Managers' 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 Managers' predictions are wrong, or if the financial derivatives do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used the financial derivatives. If the Sub-Fund invests in over-the-counter financial derivatives, there is increased risk that a counterparty may fail to honour its contract. Financial derivatives transactions will not be used for speculation or leverage. If such instruments are used, the Managers will ensure that the risk management and compliance procedures are adequate and have

⁶ The Schroder ISF may not borrow for the account of any Schroder ISF sub-fund, other than amounts which do not in aggregate exceed 10% of the NAV of the Schroder ISF sub-fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.

been or will be implemented and that they have the necessary expertise to manage the risk relating to the use of financial derivatives. The Managers will ensure that the global exposure of the Sub-Fund to financial derivatives or embedded financial derivatives will not exceed (in respect of all the Sub-Funds except for the Schroder Asian Equity Yield Fund for so long as the Schroder Asian Equity Yield Fund is a Qualifying CIS) 100%, and (in respect of the Schroder Asian Equity Yield Fund only and for so long as it is a Qualifying CIS) 20%, of the net asset value of the Sub-Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code and (in respect of the Schroder Asian Equity Yield Fund only and for so long as it is a Qualifying CIS) the Appendix to the Standards of Qualifying CIS. Investments in financial derivatives would normally be monitored and controlled by the Managers with regular mark-to-market valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions set out in the Deed with regard to financial derivatives. For the avoidance of any doubt, for so long as the Schroder Asian Equity Yield Fund is a Qualifying CIS, it may only use or invest in financial derivatives subject to Part II of the Standards of Qualifying CIS.

20. Risk Management and Compliance Controls

Schroders, being the group of companies to which the Managers belong, has established a Group Derivatives Committee (the “**Committee**”) which reviews and monitors the adequacy and effectiveness of the processes managing operational risks faced by Schroders from the use of financial derivatives, and will escalate significant issues relating to financial derivatives to key stakeholders.

The Committee reviews and approves funds using financial derivatives and new financial derivatives to ensure that the key operational risks have been identified and mitigated before launch of the fund or execution of the instrument, and is responsible for the policy on new instruments. After approval by the Committee, new financial derivatives are recorded in a financial derivatives register. This process is designed to ensure that new financial derivatives are assessed prior to investment by the funds to ensure that the Managers have the appropriate processes and controls in place to mitigate operational, investment and credit risks.

The Managers' fund managers have primary responsibility for ensuring that financial derivative transactions are consistent with the investment objective of a fund. Financial derivative positions are monitored to ensure that financial derivative usage is consistent with a fund's investment objectives and in line with the way a fund is offered. Funds are categorised by their performance/risk profiles and risk-related parameters are set for each fund category. The risk related parameters are monitored by an independent investment risk team, and exceptions are investigated and resolved.

The Managers' fund managers are required to liaise with the risk team or portfolio compliance team to agree how the financial derivative investments should be monitored and clarify any uncertainty in relation to interpretation of rules or monitoring requirements prior to investing or as soon as the uncertainty arises. The portfolio compliance team is responsible for performing independent compliance monitoring of investment restrictions. The compliance team ensures

that the fund managers are made aware of changes to regulations, including those in relation to financial derivatives usage. The Managers have a system in place to monitor investment restrictions. Where the system does not have the capability to monitor a particular instrument or restriction, the monitoring process is supplemented either by in-house or external systems and/or manual processes.

The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to manage the risk relating to the use of financial derivatives.

At your written request, the Managers will procure that supplementary information relating to the Schroder ISF Emerging Markets' risk management process employed by the Schroder ISF Emerging Markets to measure and manage the risks associated with the use of financial derivatives and the investments of the Schroder ISF Emerging Markets, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments, is provided to you, except for any information which the manager of the Schroder ISF Emerging Markets or the directors of the Schroder ISF may deem sensitive or confidential in nature or information which if disclosed, would not be in the interest of investors of the Schroder ISF Emerging Markets generally. The information to be disclosed shall be similar to that which is required to be disclosed under applicable laws and regulations in Luxembourg to investors.

X. SUBSCRIPTION/CANCELLATION OF UNITS

21. How to purchase Units

Sub-Fund / Class	Mode of Subscription		
	Cash	CPF Contributions	SRS Contributions
Schroder Asian Equity Yield Fund			
Class A	√	√	√
Class O	√	√	√
Schroder Emerging Markets Fund	√	X	√

The availability of subscriptions using CPF Contributions or SRS Contributions is subject to any restrictions from time to time imposed on applications using CPF Contributions or SRS Contributions by any applicable authority. You should contact the Managers or the relevant distributors for more information on the availability of subscriptions using your CPF Contributions or SRS Contributions.

For subscriptions using CPF Contributions or SRS Contributions, you must complete the application form accompanying this Prospectus and send it to the Managers or their distributors (as the case may be). The Managers will obtain the subscription monies from your account maintained with the relevant CPF Agent Bank or SRS Operator (as the case may be) in respect of subscriptions using CPF Contributions or SRS Contributions. For

subscriptions using cash, you must complete the application form accompanying this Prospectus and send it, together with the subscription monies, to the Managers or their distributors (as the case may be). Subscription monies shall be made payable in accordance with the terms of the application form or as the Managers or the relevant distributors may direct.

22. Minimum initial and subsequent investment

Minimum Initial Investment	S\$1,000
Minimum Subsequent Investment	S\$500

23. Issue Price

The issue price per Unit of a Sub-Fund or Class on each Dealing Day shall be an amount equal to the NAV per Unit of such Sub-Fund or Class as ascertained by calculating the Value per Unit of the relevant Sub-Fund Property as at the Valuation Point in accordance with Clause 10(B) of the Deed. The NAV per Unit of each Sub-Fund or Class so ascertained may be subject to “dilution adjustment”, as described in Clause 43 below.

24. Dealing Deadline

Units are priced on a forward basis. This means that the issue price for Units purchased is determined after the Dealing Deadline.

The Dealing Deadline is 5 p.m. on each Dealing Day (or such other time as may be agreed between the Managers and the Trustee). For example, if you buy on or before 5 p.m. on a Dealing Day, the price you pay will be based on the issue price of the Units of that Dealing Day. If you buy after 5 p.m. on a Dealing Day, the price you pay will be based on the issue price of the Units on the following Dealing Day. The issue price of Units for any Dealing Day is always calculated on the following Dealing Day.

25. How Units are issued

The number of Units (rounded to the nearest 2 decimal places) to be issued is calculated by dividing the Net Investment Sum by the issue price per Unit for the relevant Sub-Fund or Class.

The Net Investment Sum is derived by deducting the relevant Initial Sales Charge and Duties and Charges (if any) from your Gross Investment Sum.

An example of the number of Units you will receive with an investment of S\$1,000 is as follows:-

Gross Investment Sum	-	(Initial Sales Charge	x	Gross Investment Sum)	=	Net Investment Sum
S\$1,000.00	-	(5%	x	S\$1,000.00)	=	S\$950.00

Net Investment Sum	/	Notional issue price (NAV per Unit of the relevant Class or Sub-Fund)	=	Number of Units allotted
S\$950.00	/	S\$1.000*	=	950.00

This example is on the assumption that an Initial Sales Charge of 5% is imposed and there are no Duties and Charges payable.

(* notional price used for illustrative purposes only)

The Managers may on any day and in relation to any Sub-Fund or Class differentiate between applicants as to the amount of the Initial Sales Charge and may on any day of the issue of Units allow any applicants a discount on the Initial Sales Charge, in accordance with the provisions of the Deed.

26. Confirmation of purchase

A confirmation of purchase is normally issued within ten (10) Business Days from the date of receipt of the application form and subscription monies by the Managers.

27. Cancellation of subscription of Units by Investors

Subject to provisions of the Deed and to the Managers' terms and conditions for cancellation of subscription of Units in the cancellation form to be provided together with the application form, if you are a first time investor, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form to the Managers or their distributors within seven (7) calendar days (or such longer period as may be agreed between the Managers and the Trustee or as may be permitted in the Notice on Cancellation Period issued by the Authority) from the date of your initial subscription ("**Cancellation Period**"). If the last day of the Cancellation Period falls on a Sunday or a public holiday in Singapore, the Cancellation Period shall be extended to the next calendar day (which is not a Sunday or public holiday in Singapore). However, you will have to take the risk for any price changes in the NAV of the relevant Sub-Fund or Class since the time of your subscription.

You should refer to the terms and conditions for cancellation of subscription attached to the cancellation form before purchasing Units.

XI. MONTHLY INVESTMENT PLAN

28. The Managers may from time to time at their sole discretion offer Monthly Investment Plans for any Sub-Fund or Class. Where you are a member of a MIP, the minimum monthly investment is S\$100 for each Sub-Fund or Class for which a MIP is available provided that you have invested the minimum initial subscription amount.

You may purchase Units under the MIP through (a) GIRO (for Cash Units), (b) CPF Contributions (for CPF Units) and (c) SRS Contributions (for SRS Units), subject to any restrictions imposed from time to time on applications using CPF Contributions or SRS Contributions by any applicable authority. You should contact the relevant distributors for more information.

29. You may cease participating in the MIP by giving notice to the relevant distributors.

XII. REALISATION OF UNITS

30. How to realise Units

A Holder may at any time during the life of the Trust request in writing (a “**Realisation Request**”) to realise all or any Units of any or all Sub-Funds or Classes held by him, subject to Clause 31 of this Prospectus and the payment of any applicable Realisation Charge. The Realisation Request must specify the Units of the relevant Sub-Fund or Class to be realised.

Such realisation may be effected by purchase by the Managers or by the cancellation of the Units of the relevant Sub-Fund or Class and the payment of the Realisation Price out of the relevant Sub-Fund Property or partly one and partly the other.

31. Minimum Holding and Minimum Realisation Amount

The Minimum Holding of Units for each Sub-Fund and Class is S\$1,000.

A Holder shall not be entitled to realise part of his holding of Units without the approval of the Managers and the Trustee if, as a result of such realisation of Units, his holding would be reduced to less than the Minimum Holding. Unless the Managers in any particular case, or generally otherwise agree, a Holder in a Sub-Fund shall not be entitled to realise Units other than in amounts of at least such number of Units which may be realised for a gross realisation amount of S\$500.

32. Dealing Deadline

Units are priced on a forward basis. This means that the Realisation Price for Units realised is determined after the Dealing Deadline.

The Dealing Deadline is 5 p.m. on each Dealing Day (or such other time as may be agreed between the Managers and the Trustee). For example, if you sell on or before 5 p.m. on a Dealing Day, the sale proceeds will be based on the Realisation Price of the Units of that Dealing Day. If you sell after 5 p.m. on a Dealing Day, the sale proceeds will be based on the Realisation Price of the Units on the following Dealing Day. The Realisation Price for any Dealing Day is always calculated on the next Dealing Day.

33. How the sale proceeds are calculated

The Realisation Price per Unit of a Sub-Fund or Class on each Dealing Day shall be an amount equal to the NAV per Unit of such Sub-Fund or Class as ascertained by calculating the Value per Unit of the relevant Sub-Fund Property as at the Valuation Point in accordance with Clause 12(F) of the Deed. The NAV per Unit of each Sub-Fund or Class so ascertained may be subject to “dilution adjustment”, as described in Clause 43 below. No Realisation Charge is presently imposed for the Sub-Funds.

The sale proceeds paid to a Holder will be the Realisation Price per Unit multiplied by the number of Units realised/sold, less any applicable Duties and Charges.

An example of the sale proceeds that a Holder will receive from realising 1000 Units is as follows:-

Number of Units realised	X	Notional Realisation Price	=	Gross sale proceeds
1000	X	S\$1.100*	=	S\$1,100.00

Gross sale proceeds	-	Realisation Charge	=	Net sale proceeds
S\$1,100.00	-	0%	=	S\$1,100.00

(* notional price used for illustrative purposes only – no Realisation Charge or Duties and Charges imposed presently)

If, immediately after any Business Day, the number of Units of a Sub-Fund in issue or deemed to be in issue, having regard to realisations and issues of such Sub-Fund falling to be made by reference to that Business Day, would be less than such proportion (not exceeding 90%) as may be determined by the Managers from time to time, of the number of Units of such Sub-Fund in issue or deemed to be in issue on that Business Day, the Managers may, with a view to protecting the interests of all Holders of any Sub-Fund and with the approval of the Trustee, elect that the Realisation Price in relation to all (but not some only) of the Units of such Sub-Fund falling to be realised by reference to that Business Day shall, instead of being the price calculated as hereinbefore mentioned, be the price per Unit of such Sub-Fund which, in the opinion of the Managers, reflects a fairer value for the relevant Sub-Fund Property having taken into account the necessity of selling a material proportion of the Investments at that time constituting part of the relevant Sub-Fund Property; and by giving notice to the Holders of Units of such Sub-Fund affected thereby within two (2) Business Days after the relevant day, the Managers may, subject to the Code and (in respect of the Schroder Asian Equity Yield Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS, suspend the realisation of those Units for such reasonable period as may be necessary to effect an orderly realisation of the Authorised Investments. For the purposes of this Clause 33, the “**fairer value**” for the relevant Sub-Fund Property shall be determined by the Managers in consultation with a Stockbroker or an approved valuer and upon approval by the Trustee. The “**material proportion**” of the Authorised Investments means such proportion of the Authorised Investments which when sold will cause the reduction of the NAV of the relevant Sub-Fund Property.

The Managers may, with the approval of the Trustee, limit the total number of Units of any Sub-Fund which Holders may realise and which the Managers are entitled to have cancelled pursuant to Clause 11 of the Deed on any Dealing Day to ten per cent. (10%) of the total number of Units of such Sub-Fund then in issue (disregarding any Units in such Sub-Fund which have been agreed to be issued), such limitation to be applied pro rata to all Holders of

such Sub-Fund who have validly requested realisations on such Dealing Day and the Managers, so that the proportion so requested to be realised or cancelled pursuant to Clause 11 of the Deed is the same for all Holders and the Managers. Any Units which, by virtue of the powers conferred on the Managers by Clause 11(l) of the Deed, are not realised or cancelled (as the case may be) shall be realised or cancelled (subject to any further application of Clause 11(l) of the Deed) on the next succeeding Dealing Day Provided That if on such next succeeding Dealing Day, the total number of Units of such Sub-Fund to be cancelled or realised (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, the Managers may further carry forward the requests for realisation or cancellation (as the case may be) until such time as the total number of Units of such Sub-Fund to be realised or cancelled (as the case may be) on a Dealing Day falls within such limit and Provided Further That any Units of such Sub-Fund which have been carried over as aforesaid shall on any such succeeding Dealing Day be realised or cancelled in priority to any new Units of such Sub-Fund due to be realised or cancelled on that Dealing Day. If Realisation Requests are carried forward as aforesaid, the Managers shall, within seven (7) days, give notice to the affected Holders that such Units in such Sub-Fund have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next succeeding Dealing Day.

34. Period and method of payment

Unless realisation is suspended pursuant to section XV below, realisation proceeds are paid to Holders within seven (7) Business Days (or such other period as may be prescribed by the Authority) following the receipt of the Realisation Request by the Managers.

Any monies payable to a Holder in respect of: (a) CPF Units shall be paid by transferring the said amounts to the relevant Agent Bank for credit of such Holder's CPF Investment Account or where such account has been terminated, for credit of such Holder's CPF ordinary account or otherwise in accordance with the provisions of the Regulations; (b) Cash Units shall be paid by cheque or warrant sent through the post to the Holder at the address of such Holder, or in the case of Joint Holders, to all Joint Holders at the address appearing in the Register of the relevant Sub-Fund. In the case of Joint-All Holders, the cheque or warrant shall be made payable to the Joint Holder first named in the Register and in the case of Joint-Alternate Holders, to the Joint Holder signing the Realisation Request; and (c) SRS Units shall be paid by transferring the said amounts to the relevant SRS Operator for credit of such Holder's SRS Account or where such account has been terminated, to the Holder in accordance with any applicable laws, regulations or guidelines. Such payment to a Holder in respect of his Units will be made in SGD or (if the relevant Units are not denominated in SGD) the currency of denomination of the Units.

For CPF Units, such payment shall be a satisfaction of the monies payable and the receipt of the relevant Agent Bank or CPF Board (as the case may be) shall be a good discharge to the Managers or the Trustee (as the case may be). For Cash Units, payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the monies payable. For SRS Units, such payment shall be a satisfaction of the monies payable and the receipt of the relevant SRS Operator shall be a good discharge to the Managers or the Trustee (as the case may be). Where an authority in that behalf shall have been received by the Trustee or the Managers in such form as the Trustee shall consider sufficient, the Trustee or the

Managers (as the case may be) shall pay the amount due to any Holder to his bankers or other agent and the receipt of such bankers or other agent shall be a good discharge therefor. No amount payable to any Holder shall bear interest.

If a Holder is resident outside the Republic of Singapore, the Managers or the Trustee (as the case may be) may deduct from any amount payable to such Holder under the provisions of the Deed an amount equal to the excess of the expenses incurred over the amount of expenses which would have been incurred if such Holder had been resident in the Republic of Singapore.

XIII. SWITCHING OF UNITS

35. (a) Switching of Units between Sub-Funds and Classes within the Sub-Funds
- (i) Subject to Clauses 12(K)(ii) to (K)(vi) of the Deed and to Clause 12(B) of the Deed, Holders may switch their Units in any Sub-Fund (“**original Sub-Fund**”) or Class (“**original Class**”) to Units of another Sub-Fund (“**new Sub-Fund**”) within the Trust or (if permitted by the Managers) Units of another Class within the same Sub-Fund (“**new Class**”) in accordance with the provisions in Clause 12(K) of the Deed, PROVIDED THAT (i) in respect of an original Sub-Fund which is included under the CPFIS, Holders of CPF Units in such original Sub-Fund may only switch their CPF Units into Units of a new Sub-Fund or new Class which is available for investment using CPF Contributions; and (ii) in respect of an original Sub-Fund which is included under the SRS, Holders of SRS Units in such original Sub-Fund may only switch their SRS Units into Units of a new Sub-Fund or new Class which is available for investment using SRS Contributions. The foregoing is subject to any restrictions imposed from time to time on applications using CPF Contributions or SRS Contributions by any applicable authority, and Holders should contact the Managers or the relevant distributors for more information. No switching is permitted if realisation of the Units of the original Sub-Fund or the original Class (as the case may be) is suspended or if the issue of Units of the new Sub-Fund or the new Class (as the case may be) is suspended.
 - (ii) Where a Holder switches his Units in the original Sub-Fund or the original Class (as the case may be) to Units of a new Sub-Fund or new Class, the Realisation Price of Units of the original Sub-Fund or the original Class (as the case may be) shall be the NAV per Unit of the original Sub-Fund or the original Class (as the case may be) on the Common Dealing Day on which a Switching Notice is received and accepted by the Managers. The NAV per Unit of the relevant Sub-Fund or Class may be subject to “dilution adjustment”, as described in Clause 43 below.

- (iii) Where a Holder switches his Units, the Managers shall not deduct the amount of the Initial Sales Charge in relation to the new Sub-Fund or the new Class (as the case may be) but shall be entitled to charge a Switching Fee upon the amount available for payment for Units of the new Sub-Fund or the new Class (as the case may be) to be issued. The Switching Fee shall not exceed 1% of such payment sum PROVIDED THAT such fee shall not be less than S\$5 or such amount as may from time to time be determined by the Managers. The Switching Fee pursuant to Clause 12(K) of the Deed shall be retained by the Managers for their own benefit. The Managers may on any day differentiate between Holders who make a switching of a Unit as to the rate of the Switching Fee PROVIDED ALWAYS THAT such rate is within the limits specified in Clause 12(K) of the Deed and the Managers may on any day grant to any person a discount on the Switching Fee as they think fit. No such discount shall exceed the amount of the Switching Fee and the discount shall be deducted from the Switching Fee otherwise due.
- (iv) To request for a switching of Units, a Holder must deliver a duly completed Switching Notice to the Managers. In order for a Switching Notice to be effected on a particular Common Dealing Day, it must be received and accepted by the Managers not later than the Dealing Deadline on that Common Dealing Day. If any Switching Notice is received and accepted after the Dealing Deadline on that Common Dealing Day or received and accepted on any day which is not a Common Dealing Day, such Switching Notice shall be treated as having been received and accepted before the Dealing Deadline on the next Common Dealing Day. For the avoidance of doubt, the Managers may refuse to accept such Switching Notice only where such Switching Notice is not duly completed or is not in accordance with the provisions of Clause 12(K) of the Deed.
- (v) Unless otherwise permitted by the Managers, Units may not be switched between different Classes of the same Sub-Fund. Where a Sub-Fund comprises of at least one (1) Class of Units, Units in a particular Class can only be switched to Units in a similar Class in a new Sub-Fund; for the purposes of this Clause 35, a “**similar Class**” shall be conclusively determined by the Managers. Where a Sub-Fund comprises of at least one (1) Class of Units and the Holder of Units in such Sub-Fund wishes to switch his Units to a new Sub-Fund which does not comprise of Classes of Units, such switching may only be made if permitted by the Managers at their absolute discretion. Where a Sub-Fund does not comprise of Classes of Units and the Holder of Units in such Sub-Fund wishes to switch his Units to a new Sub-Fund which comprises of at least one (1) Class of Units, such switching may only be made to such Class in the new Sub-Fund as permitted by the Managers at their absolute discretion.

(b) Switching of Units between the Trust and other collective investment schemes

- (i) Subject to the Managers' absolute discretion to reject any Switching Notice without assigning any reason therefor and the provisions of Clause 12(B) of the Deed, the Holder of Units of any Sub-Fund may request to switch all or any part of such Units into the units of any other trust managed, or any other collective investment scheme (whether authorised or recognised under the SFA) made available for investment, by the Managers (“**new Trust**”) in accordance with the provisions of Clause 12(L) of the Deed, PROVIDED THAT CPF Units and SRS Units of such Sub-Fund may only be switched to Units of a new Trust which are available for investment using CPF Contributions or SRS Contributions respectively. No switching is permitted if realisation of the Units of such Sub-Fund is suspended or if the issue of units of the new Trust is suspended on the relevant dealing day of the Sub-Fund or the new Trust (as the case may be).
- (ii) Where a Holder switches Units of any Sub-Fund to units of a new Trust, the Realisation Price of Units of such Sub-Fund shall be the NAV per Unit of such Sub-Fund on the relevant Dealing Day on which a Switching Notice is received and accepted by the Managers. The Managers shall not impose an Initial Sales Charge in relation to the new Trust but shall be entitled to charge a Switching Fee upon the realisation proceeds from the Units of such Sub-Fund and available for payment for units of the new Trust to be issued. Units of the new Trust shall be issued at the NAV of the new Trust on a dealing day of the new Trust to be determined, as soon as practicable, by the Managers. The NAV per Unit of the relevant Sub-Fund may be subject to “dilution adjustment”, as described in Clause 43 below.
- (iii) The Switching Fee shall not exceed 1% of such realisation proceeds PROVIDED THAT such fee shall not be less than S\$5 or such amount as may from time to time be determined by the Managers. The Switching Fee shall be retained by the Managers for their own benefit. The Managers may on any day differentiate between Holders who make a switching of units as to the rate of the Switching Fee PROVIDED ALWAYS THAT such rate is within the limits specified in Clause 12(L) of the Deed and the Managers may on any day grant to any person a discount on the Switching Fee as they think fit. No such discount shall exceed the amount of the Switching Fee and the discount shall be deducted from the Switching Fee otherwise due.
- (iv) To request for a switching of Units, a Holder must deliver a duly completed Switching Notice to the Managers. In order for a Switching Notice to be effected on a particular Dealing Day of any Sub-Fund, it must be received and accepted by the Managers not later than the Dealing Deadline on that Dealing Day. If any Switching Notice is received and accepted after the Dealing Deadline on that Dealing Day or received and accepted on any day which is not a Dealing Day, such Switching Notice shall be treated as having been received and accepted before the Dealing Deadline on the next Dealing Day.

(c) Switching of Units of the Schroder Asian Equity Yield Fund

Notwithstanding any other provisions of the Deed, in respect of the Schroder Asian Equity Yield Fund, (i) Class A Units may only be switched into class A units of a new Sub-Fund or a new Trust (and in relation to a new Sub-Fund or a new Trust which does not comprise of classes of units, to the existing units in such new Sub-Fund or new Trust); and (ii) Class O Units may only be switched into class O units of a new Sub-Fund or a new Trust (and in relation to a new Sub-Fund or a new Trust which does not comprise of classes of units, to the existing units in such new Sub-Fund or new Trust only if permitted by the Managers at their absolute discretion). No switching is permitted between the Classes of the Schroder Asian Equity Yield Fund.

XIV. OBTAINING PRICES OF UNITS

36. The NAV per Unit of each Sub-Fund or Class is published at the Managers' website at <http://www.schroders.com.sg> one (1) Business Day after the relevant Dealing Day and is also available directly from the Managers.

XV. SUSPENSION OF DEALINGS

37. Subject to the provisions of the Code and (in respect of the Schroder Asian Equity Yield Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS, the Managers or the Trustee may, with the prior written approval of the other, suspend the issue, realisation, cancellation and/or switching of Units in relation to any Sub-Fund or Class or of the Trust and/or the determination of the net asset value of any Sub-Fund or Class or of the Trust during (i) any period when any Recognised Stock Exchange on which any Authorised Investment forming part of the Deposited Property (whether of any particular Sub-Fund) for the time being is listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended, (ii) in respect of any Sub-Fund which feeds into any sub-fund of the Schroder ISF, any period when the issue, realisation and/or switching of shares of the corresponding sub-fund of the Schroder ISF is restricted or suspended; (iii) the existence of any state of affairs which, in the opinion of the Managers might seriously prejudice the interest of the Holders (whether of any particular Sub-Fund or Class) as a whole or of the Deposited Property (whether of any particular Sub-Fund), (iv) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on any Recognised Stock Exchange or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained, (v) any period when remittance of monies which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Managers, be carried out at normal rates of exchange, or (vi) such circumstances as may be required under the provisions of the Code.

Additionally, for so long as the Schroder Asian Equity Yield Fund is a Qualifying CIS, subject to the provisions of the Code and the Standards of Qualifying CIS, the Managers may suspend the issue, realisation, cancellation and/or switching of Units in relation to the Schroder Asian Equity Yield Fund or any Class of the Schroder Asian Equity Yield Fund and/or the determination of the net asset value of the Schroder Asian Equity Yield Fund or any Class of the Schroder Asian Equity Yield Fund when:

- (a) dealings in a material portion of the assets of the Schroder Asian Equity Yield Fund or the relevant Class of the Schroder Asian Equity Yield Fund are restricted or suspended, provided that the Trustee is consulted;
 - (b) it is not in the best interests of the Holders of the Schroder Asian Equity Yield Fund or the relevant Class of the Schroder Asian Equity Yield Fund to liquidate a material portion of the assets of the Schroder Asian Equity Yield Fund or the relevant Class of the Schroder Asian Equity Yield Fund, provided that the Trustee's approval is obtained;
 - (c) the market value or fair value of a material portion of the assets of the Schroder Asian Equity Yield Fund or the relevant Class of the Schroder Asian Equity Yield Fund cannot be determined, provided that the Trustee's approval is obtained;
 - (d) instructed by the Authority in the interest of protecting the rights of Holders of the Schroder Asian Equity Yield Fund or the relevant Class of the Schroder Asian Equity Yield Fund;
 - (e) under exceptional circumstances set out in the Deed, the Managers have determined that dealing in Units of the Schroder Asian Equity Yield Fund or the relevant Class of the Schroder Asian Equity Yield Fund is not in the best interests of the Holders of the Schroder Asian Equity Yield Fund or the relevant Class of the Schroder Asian Equity Yield Fund, provided that the Trustee's approval is obtained; or
 - (f) such circumstances as may be required under the provisions of the Standards of Qualifying CIS.
38. Subject to the provisions of Clause 10(F) of the Deed, such suspension shall take effect forthwith upon the date of declaration in writing thereof to the Trustee by the Managers (or as the case may be) to the Managers by the Trustee, and, subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which suspension is authorised under Clause 10(F) of the Deed shall exist upon the declaration in writing thereof by the Managers or as the case may be, the Trustee.

In addition, subject to the provisions of the Code and (in respect of the Schroder Asian Equity Yield Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS, the Managers may, with the approval of the Trustee, suspend the issue, realisation and/or switching of Units of the Trust or of any Sub-Fund or Class for 48 hours (or such longer period as the Managers and Trustee may agree) prior to the date of any meeting of Holders of the Trust or such Sub-Fund or Class (or any adjourned meeting thereof) convened in accordance with the provisions of the Schedule to the Deed for the purposes of, *inter alia*, determining the total number and value of all the Units in issue and reconciling the number of Units stated in proxy forms received from Holders of the Trust or such Sub-Fund or Class against the number of Units stated in the Register.

Dealings in Units of any Sub-Fund or Class or the Trust may also be suspended during any period as the Authority may direct and such suspension shall comply with the terms set out in the order, notice or directive issued by the Authority.

XVI. PERFORMANCE OF THE SUB-FUNDS

39. The performance details and benchmark of each Sub-Fund are set out in the relevant Appendix for that Sub-Fund.

You should note that the past performance of a Sub-Fund or the underlying Schroder ISF sub-fund is not necessarily indicative of the future performance of such Sub-Fund or underlying Schroder ISF sub-fund.

XVII. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

Currently, the Schroder Emerging Markets Fund invests primarily in the Schroder ISF Emerging Markets. The investment manager of the Schroder ISF Emerging Markets may enter into soft dollar commission arrangements only where there is a direct and identifiable benefit to the clients of the investment manager, including the Schroder ISF, and where the investment manager is satisfied that the transactions generating the soft dollar commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Schroder ISF.

In their management of the Schroder Emerging Markets Fund and the Schroder Asian Equity Yield Fund, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

XVIII. CONFLICTS OF INTEREST

40. The Managers will conduct all transactions with or for the Sub-Fund(s) at arm's length. The Managers may from time to time have to deal with competing or conflicting interests between the other funds which are managed by the Managers with one (1) or more Sub-Funds. For example, the Managers may make a purchase or sale decision on behalf of some or all of their other funds without making the same decision on behalf of such Sub-Fund(s), as a decision whether or not to make the same investment or sale for such Sub-Fund(s) depends on factors such as the cash availability and portfolio balance of such Sub-Fund(s). However the Managers will use reasonable endeavours at all times to act fairly and in the interests of such Sub-Fund(s). In particular, after taking into account the availability of cash and relevant investment guidelines of the other funds and such Sub-Fund(s), the Managers will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the other funds and such Sub-Fund(s).

The factors which the Managers will take into account when determining if there are any conflicts of interest as described above include the assets (including cash) of the Sub-Fund(s) as well as the assets of the other funds managed by the Managers. To the extent that another fund managed by the Managers intends to purchase substantially similar assets, the Managers will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the Sub-Fund(s) and the other funds. Associates of the Trustee may be engaged to provide financial, banking and brokerage services to the Sub-Fund(s), or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profit from these activities. Such services, where provided, and such activities with the Trustee, where entered into, will be on an arm's length basis.

For so long as the Schroder Asian Equity Yield Fund is a Qualifying CIS, any measures taken by the Managers to minimise or deal with conflicts of interest in respect of the Schroder Asian Equity Yield Fund will also be subject to the provisions of the Standards of Qualifying CIS.

XIX. REPORTS

41. The financial year-end of the Trust is 31 December.

The semi-annual report and semi-annual accounts of the Trust covering the period 1 January to 30 June shall be sent or made available to Holders within two (2) months of each financial half-year end (or such other period as may be permitted by the Authority).

The annual report, the annual accounts and the auditor's report on the annual accounts of the Trust shall be sent or made available to Holders within three (3) months of each financial year-end (or such other period as may be permitted by the Authority).

XX. QUERIES AND COMPLAINTS

42. You may direct all queries and complaints relating to the Trust or the Sub-Funds to the Managers, Schroder Investment Management (Singapore) Ltd, at telephone number (65) 6534 4288.

XXI. OTHER MATERIAL INFORMATION

43. Dilution and Dilution Adjustment

Each Sub-Fund is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, realisations and/or switching in and out of the Sub-Fund. This is known as “dilution”. In order to counter this and to protect Holders’ interests, the Managers will apply “dilution adjustment” as part of their daily valuation policy for the Sub-Fund. This will mean that in certain circumstances the Managers (if in their opinion in good faith it is in the interest of Holders to do so) will make adjustments in the calculations of the NAV per Unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant, as further described below.

In the usual course of business the application of a dilution adjustment will be triggered mechanically and on a consistent basis.

The need to make a dilution adjustment will depend upon the net value of subscriptions, switching and realisations received by the Sub-Fund for each Dealing Day. The Managers therefore reserve the right to make a dilution adjustment where the Sub-Fund experiences a net cash movement which exceeds a threshold set by the Managers from time to time of the previous Dealing Day's total NAV. You should note that the value of the Units held by a Holder may therefore be diluted when the net value of subscriptions, switching and realisations received by the Sub-Fund for a Dealing Day is below such threshold.

The Managers may also make a discretionary dilution adjustment if, in their opinion, it is in the interest of existing Holders to do so.

Where a dilution adjustment is made, it will increase the NAV per Unit when there are net inflows into the Sub-Fund and decrease the NAV per Unit when there are net outflows. The

NAV per Unit of each Class in the Sub-Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the NAV per Unit of each Class identically. All fees applicable to the Sub-Fund (including management fees and performance fees (if any)) are calculated prior to any dilution adjustments.

As dilution is related to the inflows and outflows of money from the Sub-Fund, it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Managers will need to make such dilution adjustments.

Because the dilution adjustment for the Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of the Sub-Fund, including any dealing spreads, which can vary with market conditions, this means that the amount of the dilution adjustment can vary over time but shall not exceed 2% of the NAV per Unit on the relevant Dealing Day and the Managers reserve the right to adjust upwards or downwards the NAV per Unit on any Dealing Day in accordance with the foregoing without giving notice to relevant Holders.

With effect from 31 August 2020, during circumstances which the Managers may deem as extraordinary market circumstances or significant unexpected changes in general market conditions (including but not limited to high market volatility, illiquidity in the markets, disruption of markets or slowdown of the economy caused by terrorist attack or war or other hostilities, a serious pandemic, or a natural disaster such as a hurricane or a super typhoon) in their absolute discretion, the Managers may temporarily increase the dilution adjustment beyond 2% of the NAV per Unit to such higher percentage as the Managers may determine from time to time in consultation with the Trustee, and such increase shall (if so required by the Authority and/or the Trustee) be notified to the Holders in such manner as the Managers and Trustee may agree.

You should note that the performance returns of the Sub-Fund as shown in the tables in paragraph 3 of the relevant Appendix below are calculated based on the NAV of the Sub-Fund after dilution adjustments (if any) have been applied. This could increase the variability of the returns of the Sub-Fund. You should also note that there is a possibility that the returns of the Sub-Fund may be influenced by the level of trading activity, in addition to the Sub-Fund's investments.

44. Distributions

The Managers shall have the absolute discretion to determine whether a distribution is to be declared in respect of a Sub-Fund or Class.

The Managers may, by notice in writing, direct the Trustee to distribute all or part of the income or capital (with the Trustee's consent) or net capital gains to Holders of the relevant Sub-Fund or Class in accordance with the provisions of the Deed.

A Holder may at any time make a request in writing for the automatic reinvestment of all but not part of the distributions to be received by him in the purchase of further Units to be issued at the Issue Price and subject to the right of the Managers to give discounts under the Deed.

Unless specifically instructed in writing by the relevant Holder, any distribution payable to a Holder for an amount that is below S\$50 or its equivalent shall be automatically reinvested into new Units of the relevant Sub-Fund or Class on the relevant payment date of the

distribution. This will not apply to distributions payable into a Holder's CPF Investment Account or SRS Account or distributions payable in respect of Units subscribed using cash through any agent or distributor of the Managers.

Where a distribution payment has been made to a Holder via a cheque and such cheque has expired (i.e. the cheque is un-presented for six months since the date of its issue), unless specifically instructed in writing by that Holder, any subsequent distribution payable to him shall be automatically reinvested into new Units of the relevant Sub-Fund or Class on the relevant payment date of the distribution.

The Managers reserve the right to review and make changes to the distribution policy of each Sub-Fund from time to time.

Whilst fixed income distributions provide the benefit of having a reliable and regular income, you should be aware that the distributions may exceed the total return of a Sub-Fund at times and lead to a reduction of the original amount invested, depending on the date of initial investment.

45. Value

In respect of each Sub-Fund except for the Schroder Asian Equity Yield Fund for so long as it is a Qualifying CIS, except where otherwise expressly stated in the Deed and subject always to the requirements of the Code, "**Value**" means with reference to any investment authorised under the Deed which is:-

- (a) a deposit placed with a Bank or other financial institutions and a bank bill, shall be determined by reference to the face value of such Authorised Investment and the accrued interest thereon for the relevant period;
- (b) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value is published or available, then at its latest available realisation price;
- (c) an Unquoted Security (other than any deposit or bank bill or unit or share in a unit trust or mutual fund or collective investment scheme referred to in sub-Clauses (a) and (b) above), shall be calculated by reference to, but not limited to, the price of the Investment if it is a component in a recognised bond index; or evaluated calculation from a reputable pricing vendor; or the mean of bid prices quoted by reputable institutions in the over-the-counter or telephone market at the close of trading in the relevant market on which the particular Authorised Investment is traded; or the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one (1) such market maker, then such market maker as the Managers may designate);
- (d) a Quoted Security shall be calculated firstly by reference to the official closing price (however described and calculated under the rules of the relevant Recognised Stock Exchange) and, if no official closing price is available, by the last transacted price on such Recognised Stock Exchange and, by the official closing price at the end of prior day(s) where reasonable; and

- (e) an Authorised Investment other than as described above, shall be valued in such manner and at such time or times as the Managers after consultation with the Trustee shall from time to time determine.

Provided That, if the quotations referred to in (b), (c) or (d) above are not available, or if the value of the Authorised Investment determined in the manner described in (a) to (e) above, in the opinion of the Managers, do not represent a fair value of such Authorised Investment, then the Value shall be any reasonable value as may be determined by the Managers or by a person determined by the Managers as being qualified to value and approved by the Trustee. The fair valuation shall be determined with due care and good faith and the basis for determining the fair value of the Authorised Investment documented.

In respect of the Schroder Asian Equity Yield Fund only and for so long as it is a Qualifying CIS, subject always to the requirements of the Code and the Standards of Qualifying CIS, “**Value**” means with reference to any investment authorised under the Deed which is:-

- (A) a quoted investment, shall be valued based on the official closing price or last known transacted price on the organised market (as defined in the Standards of Qualifying CIS) on which the quoted investment is quoted; and
- (B) an unquoted investment, or a quoted investment where the transacted price is not representative or not available to the market, shall be valued based on the fair value of the unquoted investment or the quoted investment determined with due care and in good faith and in accordance with the Standards of Qualifying CIS, by the Managers or by a person determined by the Managers as being qualified to value and approved by the Trustee and the Managers shall ensure that the basis and approach for determining the fair value of the unquoted investment or the quoted investment is documented.

Provided Further that prior approval of the Trustee is required for any change in the method of determining the Value of any investment or any change in the Valuation Point (as defined in the Deed) and the Trustee shall determine if the Holders should be informed of any such change and the Managers shall notify the Holders of such change if so required by the Trustee.

In exercising in good faith the discretion given by the provisions above, the Managers shall not assume any liability towards the Trust, and the Trustee shall not be under any liability, in accepting the opinion of the Managers, notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

In calculating the Value of any Sub-Fund Property of a Sub-Fund or any proportion thereof:-

- (i) every Unit of such Sub-Fund agreed to be issued by the Managers shall be deemed to be in issue and the relevant Sub-Fund Property shall be deemed to include not only property in the hands of the Trustee in respect of such Sub-Fund but also the value of any cash or other property to be received in respect of Units of such Sub-Fund agreed to be issued after deducting therefrom or providing thereout the Initial Sales Charge attributable to such Sub-Fund and Duties and Charges (if any) referred to in Clause 10(B) of the Deed and (in the case of Units issued against the vesting of Authorised Investments) any monies payable out of the relevant Sub-Fund Property pursuant to Clause 10 of the Deed. The said adjustment may be retained by the Managers to the extent permitted by the Code or the Authority;
- (ii) where Authorised Investments attributable to such Sub-Fund have been agreed to be purchased or sold but such purchase or sale has not been completed, such Authorised Investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed;
- (iii) where in consequence of any notice or request in writing given pursuant to Clause 10(H) or 11 or 12 of the Deed a reduction of such Sub-Fund by the cancellation of Units of a Sub-Fund is to be effected but such reduction has not been completed the Units of such Sub-Fund in question shall not be deemed to be in issue and any amount payable in cash and the value of any Authorised Investments attributable to such Sub-Fund to be transferred out of the relevant Sub-Fund Property in pursuance of such reduction shall be deducted from the Value of the relevant Sub-Fund Property;
- (iv) there shall be deducted any amounts not provided for above which are payable out of the relevant Sub-Fund Property including:-
 - (I) any amount of Management Participation (as defined in the Deed) and any other fees and expenses attributable to such Sub-Fund accrued to the date as at which the valuation is made but remaining unpaid;
 - (II) the amount of tax attributable to such Sub-Fund, if any, on capital gains attributable to such Sub-Fund accrued up to the end of the last Accounting Period (as defined in the Deed) and remaining unpaid;
 - (III) such sum in respect of tax attributable to such Sub-Fund, if any, on net capital gains attributable to such Sub-Fund realised during a current Accounting Period prior to the valuation being made as in the estimate of the Managers will become payable;
 - (IV) any amount of the remuneration of the Trustee attributable to such Sub-Fund accrued to the date as at which the valuation is made but remaining unpaid;
 - (V) any other costs and expenses attributable to such Sub-Fund payable but not paid which are expressly authorised by the terms of the Deed to be payable out of the relevant Sub-Fund Property; and

- (VI) any appropriate allowance for any contingency liabilities attributable to such Sub-Fund;
- (v) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to Income (as defined in the Deed) attributable to such Sub-Fund down to the relevant date;
- (vi) there shall be added the amount of any tax attributable to such Sub-Fund, if any, on capital gains attributable to such Sub-Fund estimated to be recoverable and not received;
- (vii) any Value attributable to such Sub-Fund (whether of an Authorised Investment or cash) otherwise than in the currency of denomination of such Sub-Fund and any borrowing otherwise than in the currency of denomination of such Sub-Fund shall be converted into the currency of denomination of such Sub-Fund at the rate (whether official or otherwise) which the Managers shall after consulting or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard inter alia to any premium or discount which may be relevant and to the costs of exchange; and
- (viii) where the current price of an Authorised Investment attributable to such Sub-Fund is quoted "ex" dividend, interest or other rights to which the Deposited Property is entitled but such dividend, interest or the property or cash to which the rights relate has not been received and is not taken into account under any provisions of this definition, the amount of such dividend, interest or property or cash shall be taken into account.

46. Transfer of Units

In respect of Cash Units, every Holder shall be entitled to transfer the Units of any Sub-Fund or Class held by him by an instrument in writing in common form (or in such other form as the Managers and the Trustee may from time to time approve) PROVIDED THAT no transfer of part of a holding of such Units shall be registered without the approval of the Managers and the Trustee if in consequence thereof either the transferor or the transferee would be the Holder of less than the relevant Minimum Holding and notwithstanding the foregoing or any other provision of the Deed, a minor's title to or interest in any Units before he has attained the age of twenty one (21) years, shall only be transferred if permitted by or in accordance with the law, PROVIDED FURTHER THAT no transfer of CPF Units or SRS Units shall be permitted. A fee not exceeding S\$5, or such other amount as the Trustee and the Managers may from time to time agree, which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee for the registration of a transfer.

47. Duration and Termination of the Trust

The Trust is of indeterminate duration but may be terminated in the following circumstances:-

- (a) by either the Trustee or the Managers by not less than one (1) year's notice in writing to the other given so as to expire at the end of the Accounting Period current at the end of the year 2013 or thereafter at the end of each fifteen (15) year period. Either the Trustee or the Managers shall be entitled by notice in writing to make the

continuation of the Trust beyond any such date conditional on the revision to its or their satisfaction at least three (3) months before the relevant date of its or their remuneration under the Deed. If the Trust shall be terminated or discontinued the Managers shall give notice thereof to all Holders not less than six (6) months in advance.

- (b) subject to section 295 of the SFA, by the Trustee by notice in writing in any of the following events:
- (i) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in respect of any of their assets or if any encumbrancer shall take possession of any of their assets or if they shall cease business;
 - (ii) if in the opinion of the Trustee the Managers shall be incapable of performing or shall in fact fail to perform their duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Holders, PROVIDED ALWAYS THAT if the Managers shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules shall be deemed to be incorporated by reference into this Clause 48. The tribunal shall consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding;
 - (iii) if any law shall be passed or the authorisation of the Trust is revoked or withdrawn or any order or direction is given by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust;
 - (iv) if within the period of three (3) months from the date of the Trustee expressing in writing to the Managers the desire to retire, the Managers shall have failed to appoint a new trustee within the terms of Clause 29 of the Deed;
 - (v) if the Trustee removes the Managers pursuant to Clause 30(A) of the Deed and cannot find another manager within three (3) months of removal;
 - (vi) if the Managers retire under Clause 30(B) of the Deed and a new manager cannot be found within three (3) months of the notice of retirement; or
 - (vii) if Authority so directs pursuant to the SFA.
- (c) by the Managers by notice in writing:
- (i) if the aggregate value of the Deposited Property shall be less than S\$5,000,000;

- (ii) if any law shall be passed or the authorisation of the Trust is revoked or withdrawn or any order or direction is given by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Trust; or
 - (iii) if the Authority so directs pursuant to the SFA.
- (d) by Extraordinary Resolution of a meeting of the Holders of all the Sub-Funds duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the said Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.

The party terminating the Trust shall give notice thereof to the other party and the Holders fixing the date at which such termination is to take effect and the date shall not be less than six (6) months after the service of such notice. If there is a termination of the Trust for whatever reason, the Managers shall give the Authority written notice of the proposed termination at least seven (7) days before the relevant termination date of the Trust.

48. Termination of a Sub-Fund or Class

Each Sub-Fund or Class may be terminated as follows:-

- (a) by the Trustee giving notice to the Managers (if there shall be Managers in office) and thereafter by giving not less than three (3) months' notice in writing to all Holders of the relevant Sub-Fund or Class if:-
 - (i) any law shall be passed or the authorisation of the Sub-Fund is revoked or withdrawn or any order or direction is given by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Sub-Fund or Class;
 - (ii) at any time after the expiry of three (3) years from the Commencement Date of the Sub-Fund, an Extraordinary Resolution authorising the termination of the Sub-Fund or Class is passed by the Holders of such Sub-Fund or Class; or
 - (iii) if the Authority so directs pursuant to the SFA.
- (b) by the Managers in their absolute discretion by giving notice to the Trustee and thereafter by giving not less than three (3) months' notice to all Holders of the relevant Sub-Fund or Class if:-
 - (i) on or after the second anniversary of the Commencement Date of the Sub-Fund or the Inception Date of the Class (as the case may be) and for any successive three-month period thereafter ending not later than ninety (90) days before the date of the notice, the Value of the Sub-Fund Property of such Sub-Fund or Class shall be less than S\$5,000,000;
 - (ii) there are less than twenty five (25) Holders in that Sub-Fund or Class;

- (iii) any law shall be passed or the authorisation of the Sub-Fund is revoked or withdrawn or any order or direction is given by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Sub-Fund or Class; or
 - (iv) the Authority so directs pursuant to the SFA.
- (c) by Extraordinary Resolution of a meeting of the Holders of that Sub-Fund or Class duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the said Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.

Subject as hereinafter provided the effective date of termination of the Sub-Fund or Class shall be the date specified as such by the Trustee or the Managers in the notice to be given by either of them to the other or where no such notice is required on the date specified in the notice to Holders. The effective date of termination shall not be less than three (3) months after the date of despatch of notice to Holders unless the Trustee or the Managers are advised that the continuance of the Sub-Fund or Class is or will become illegal under the proper law of the Trust, in which case the effective date of termination may be such earlier date as the Trustee or the Managers (whichever shall have given notice of termination) shall determine. If there is a termination of the Sub-Fund for whatever reason, the Managers shall give the Authority written notice of the proposed termination at least seven (7) days (or such other period as may be permitted by the Authority) before the relevant termination date of the Sub-Fund.

49. Change in Investment Policy

- (a) The Deed provides that the Managers may from time to time subject as provided in this Clause 50 in their discretion (with the approval of the Trustee) change their investment policy in respect of any Sub-Fund (if it is a Feeder Fund) from investing in the stated portfolio of Schroder ISF or any other relevant fund to investing all or substantially all of its assets in another portfolio of Schroder ISF or such other relevant fund having substantially the same investment policy as the stated portfolio of Schroder ISF, upon giving not less than one (1) month's notice of such change to the Holders of that Sub-Fund. The circumstances under which such investment policy may be changed include, without limitation, the liquidation, dissolution, amalgamation, consolidation or reconstruction of the stated portfolio of Schroder ISF or such other relevant fund or, in the case where the investment policy is to invest the Sub-Fund in more than one (1) stated portfolio of Schroder ISF or such other relevant fund, of any one (1) of the stated portfolios. Where any change in the investment policy of any Sub-Fund goes beyond investing in another portfolio of Schroder ISF or such other relevant fund having substantially the same investment policy, such change will require approval of the Holders of that Sub-Fund by Extraordinary Resolution.
- (b) The Managers may in respect of any Sub-Fund which is a Feeder Fund (with the approval of the Trustee) change their investment policy from a Feeder Fund investing in a stated portfolio of Schroder ISF to a direct investment portfolio having substantially the same investment policy as such stated portfolio, upon giving not less

than one (1) month's notice of such change to the Holders of that Sub-Fund. The Managers may in respect of any Sub-Fund which is not a Feeder Fund (with the approval of the Trustee) change their investment policy from a direct investment portfolio to a Feeder Fund investing in any portfolio of Schroder ISF or any relevant fund having substantially the same investment policy as that Sub-Fund's original investment policy, upon giving not less than one (1) month's notice of such change to the Holders of that Sub-Fund. Where any change in the investment policy of any Sub-Fund amounts to a significant change in its investment policy, such change will require approval of the Holders of that Sub-Fund by Extraordinary Resolution.

50. Exclusion of Liability

- (a) The Trustee and the Managers shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed sealed or signed by the proper parties.
- (b) Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any transfer or form of application, endorsement or other document (whether sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any Holder to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.
- (c) The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.
- (d) Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; PROVIDED NEVERTHELESS THAT any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show

the degrees of diligence and care required of them having regard to the provisions of the Deed.

- (e) In no event shall a Holder have or acquire any rights against the Trustee or the Managers or either of them except as expressly conferred on the Holder by the Deed nor shall the Trustee be bound to make any payment to any Holder except out of the funds held by it for that purpose under the provisions of the Deed.
- (f) The Managers shall not incur any liability to or be responsible for any losses suffered or expenses incurred by the Trustee, the Holders or any other person by reason of any error of law or any matter or thing done or suffered or omitted to be done by the Managers or their employees, officers or agents in good faith under the Deed in the absence of fraud or negligence of or other liability imposed by law on the Managers, or their employees, officers or agents.
- (g) The Managers shall be entitled to exercise the rights of voting in what they may consider to be the best interests of the Holders, but neither the Managers nor the Trustee shall be under any liability or responsibility in respect of the management of the Authorised Investment in question nor in respect of any vote action or consent given or taken or not given or not taken by the Managers whether in person or by proxy, and neither the Trustee nor the Managers nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Managers or by the holder of such proxy or power of attorney under the Deed and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by the Managers or by any such proxy or attorney.
- (h) Except if and so far as otherwise expressly provided in the Deed, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- (i) The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, computer experts, lawyers or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, computer expert, lawyer or other person as aforesaid or of the Managers except where the Managers or agents are acting on behalf of the Trustee with its authority in relation to the keeping of the Register. Any such advice or information may be obtained or sent by facsimile, letter or electronic mail and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such facsimile, letter or electronic mail although the same contains some error or shall not be authentic.

51. Compulsory Realisations of Units

The Managers have the right (in consultation with the Trustee) to realise compulsorily any holdings of Units held by:

- (a) any Holder:
 - (i) who, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
 - (ii) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance of the Managers or the Trust with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (b) any Holder whose holdings, in the opinion of the Managers:
 - (i) may cause the Trust to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
 - (ii) may cause the offer of the Units of the Trust, the Trust, the prospectus of the Trust, this Deed, the Managers or the Trustee to become subject to any authorisation, recognition, approval, or registration requirements under any law or regulation in any other jurisdiction; or
- (c) any Holder whose holdings, in the opinion of the Managers:
 - (i) may cause a detrimental effect on the tax status of the Trust in any jurisdiction or on the tax status of the Holders of the Trust; or
 - (ii) may result in the Trust or other Holders of the Trust suffering any other legal or pecuniary or administrative disadvantage which the Trust or Holders might not otherwise have incurred or suffered; or
- (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or who is unable or unwilling to provide information and/or documentary evidence requested by the Managers for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks.

52. Consent to Use of Personal Data

If you are an individual investor, each time you voluntarily provide your personal data in order to carry out a transaction in relation to the Trust or any Sub-Fund, you are deemed to have consented to the following:

- (a) that the Managers and their related corporations from time to time (the “**Schroder Group**”) and/or the Trustee, shall collect, store and maintain the personal data and other information relating to you as received (whether in writing, electronically or otherwise) as part of the records of the Trust or of the relevant Sub-Fund (as the case may be) maintained by the Schroder Group and/or the Trustee (as the case may be);
- (b) that such personal data collected, stored and maintained shall be used for the purposes of account maintenance and transaction purposes from time to time

including but not limited to the processing of such personal data for record keeping purposes, compliance and regulatory (including complying with any anti-money laundering regulations) purposes, legal purposes, audit purposes, tax (including tax reporting) purposes and for the purpose of providing you with regular statements of account and other notices;

- (c) that such personal data collected, stored and maintained shall be provided to and processed by third parties for the above purposes from time to time including but not limited to the registrar of the Trust, the agents and service providers employed by the Schroder Group, the distributors, banks (including Agent Banks and SRS Operators where applicable), insurers, fund managers, and other intermediaries of the Schroder Group, and the professional advisers to the Schroder Group of companies for the above purposes;
- (d) that such personal data collected, stored and maintained shall be provided to any and all applicable regulatory authorities (including the Inland Revenue Authority of Singapore (“IRAS”), the CPF Board and the Authority) upon request or as may be required by applicable law or regulation from time to time; and
- (e) that such personal data shall be stored, maintained, used, processed, transferred or held in Singapore or outside Singapore, as the Schroder Group and/or the Trustee shall consider appropriate for the above purposes.

53. Taxation in Singapore

The following is a summary of certain Singapore tax consequences in relation to the Sub-Funds. This summary is based on the existing provisions of relevant tax law and the regulations thereunder, the circulars issued by the Authority and practices in effect as at the date of registration of this Prospectus, all of which are subject to change and differing interpretations, either on a prospective or retroactive basis. The summary is not intended to constitute a complete analysis of all the tax consequences relating to a participation in any of the Sub-Funds. Prospective investors should consult their own tax advisers concerning the tax consequences of their particular situations, including the tax consequences arising under the laws of any other tax jurisdiction, which may be applicable to their particular circumstances. The summary does not constitute tax or legal advice.

It is emphasised that neither the Trustee nor the Managers or any persons involved in the issuance of the Units accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal/redemption of the Units.

Income tax

Singapore income tax is imposed on income accruing in or derived from Singapore and on foreign-sourced income received or construed to be received in Singapore, subject to certain exceptions. Currently, the corporate income tax rate in Singapore is 17%.

Gains on disposal of investments

Singapore does not impose tax on capital gains. However, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax. The determination of whether the gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case. Generally, gains on disposal of investments are considered income in nature and sourced in Singapore if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore.

As the investment and divestment of assets of each Sub-Fund are managed in Singapore by the Managers, the income earned by each Sub-Fund may be considered to be sourced in Singapore and subject to Singapore income tax, unless the income is exempted from tax pursuant to section 13X of the Income Tax Act (Cap. 134) (the "**ITA**") and the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010 (the "**Regulations**") (collectively referred to as the "**Tax Exemption Scheme**").

The Tax Exemption Scheme

Each Sub-Fund has been approved by the Authority for the Tax Exemption Scheme under section 13X of the ITA with effect from 30 May 2015.

Under the Tax Exemption Scheme, "specified income" derived from "designated investments" by an "approved person" will be exempt from tax in Singapore, if the "approved person" is managed in Singapore by a fund manager and certain prescribed conditions are met.

To qualify for the Tax Exemption Scheme in a particular year, a Sub-Fund must meet the following conditions:

- (i) The Sub-Fund must be managed or advised directly throughout each basis period relating to any year of assessment by a fund management company ("**FMC**") in Singapore, where the FMC:
 - a) must hold a capital markets services ("**CMS**") licence for the regulated activity of fund management under the SFA or is exempt from the requirement to hold such a licence under the SFA, or as otherwise approved by the Minister for Finance or such other persons as he may appoint; and
 - b) must employ at least three investment professionals ("investment professionals" refer to persons who are earning more than S\$3,500 per month and must be engaging substantially in the qualifying activity, e.g. portfolio managers, research analysts and traders);

- (ii) The Sub-Fund must incur at least S\$200,000 business spending (according to accounting principles and includes, but is not limited to, the following expenses paid to Singapore entities: management fees, and other operating costs) in Singapore in each basis period relating to any year of assessment;
- (iii) The Sub-Fund must not change its investment objective/strategy after being approved for the Tax Exemption Scheme unless such change is for bona fide commercial purposes and the change is approved by the Authority before the effective date of change in strategy;
- (iv) The Sub-Fund does not concurrently enjoy other tax incentive schemes; and
- (v) The Sub-Fund meets such other conditions as specified in the letter of approval issued by the Authority.

If the Sub-Fund fails to satisfy the specific conditions for any basis period, the Sub-Fund will not enjoy the tax exemption on “specified income” derived from “designated investments” for that basis period. The Sub Fund can, however, enjoy the tax exemption in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

“**Specified income**” is defined as:

Any income or gains derived on or after 19 February 2019 from “**designated investments**” except for the following;

- (a) Distributions made by a trustee of a real estate investment trust⁷ within the meaning of section 43(10) of the ITA;
- (b) Distributions by a trustee of a trust who is resident in Singapore or a permanent establishment in Singapore, other than a distribution made by a trustee whose income is exempt from tax under sections 13CA, 13G, 13O or 13X of the ITA;
- (c) Income or gain derived or deemed to be derived from Singapore; from a publicly-traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and
- (d) Income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

“**Designated investments**” is defined as:

- (a) Stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

⁷ As defined in section 43(10) of the ITA, this refers to a trust constituted as a collective investment scheme authorised under section 286 of the SFA and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets.

- (b) Debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities⁸ issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (c) Units in real estate investment trusts and exchange traded funds constituted in the form of trusts and or any other securities (not already covered in other sub-paragraphs of the list) but excluding any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (d) Futures contracts held in any futures exchanges;
- (e) Any immovable property situated outside Singapore;
- (f) Deposits placed with any financial institution;
- (g) Foreign exchange transactions;
- (h) Interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives;
- (i) Units in any unit trust, except:
 - (i) A unit trust that invests in Singapore immoveable properties;
 - (ii) A unit trusts that holds stock, shares, debt or any other securities issued by any unlisted company that is in the business of trading or holding of Singapore immoveable properties (other than one that is in the business of property development); and
 - (iii) A unit trust that grants loans that are excluded under (j);
- (j) Loans⁹, except:
 - (i) Loans granted to any unlisted company that is in the business of trading or holding of Singapore immoveable properties (other than one that is in the business of property development);
 - (ii) Loans to finance / re-finance the acquisition of Singapore immoveable properties; and
 - (iii) Loans that are used to acquire stocks, shares, debt or any other securities issued by an unlisted company that is in the business of trading or holding of Singapore immoveable properties (other than one that is in the business of property development);
- (k) Commodity derivatives¹⁰;

⁸ “Non-qualifying debt securities” refers to debt securities that do not enjoy “Qualifying Debt Securities” tax status as defined under section 13(16) of the ITA.

⁹ Including secondary loans, credit facilities and advances.

¹⁰ Commodity derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying commodities.

- (l) Physical commodities if –
 - (i) the trading of those physical commodities by the approved person in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this paragraph as related commodity derivatives) in that basis period; and
 - (ii) the trade volume of those physical commodities traded by the approved person in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded by the approved person in that basis period;
- (m) Units in a registered business trust;
- (n) Emission derivatives¹¹ and emission allowances;
- (o) Liquidation claims;
- (p) Structured products¹²;
- (q) Islamic financial products¹³ and investments in prescribed Islamic financing arrangements under section 34B of the ITA that are commercial equivalents of any of the other designated investments;
- (r) Private trusts that invest wholly in designated investments;
- (s) Freight derivatives¹⁴;
- (t) Publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore;
- (u) Interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;
- (v) Bankers acceptances issued by financial institutions;
- (w) Accounts receivable and letters of credit; and
- (x) Interests in Tokumei Kumiai (TK)¹⁵.

A “**fund manager**” for the purpose of the Tax Exemption Scheme means a company holding a CMS licence under the SFA for fund management or one that is exempt under the SFA from holding such a licence. The Managers hold a CMS licence for fund management and fulfil this criteria.

¹¹ Emission derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

¹² As defined under section 13(16) of the ITA.

¹³ Recognised by a Shariah council, whether in Singapore or overseas.

¹⁴ Freight derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

¹⁵ A TK is a contractual arrangement under which one of more silent investors (the TK investor) makes a contribution to a Japanese operating company (the TK operator) in return for a share in the profit/loss of a specified business conducted by the TK operator (the TK business).

The Managers will endeavour to conduct the affairs of each Sub-Fund in such a way that the relevant Sub-Fund will satisfy the qualifying conditions under the Tax Exemption Scheme for the life of the Sub-Fund. Notwithstanding the foregoing, there is no assurance that the Managers will, on an on-going basis, be able to ensure that each Sub-Fund will always meet all the qualifying conditions for the Tax Exemption Scheme. If a Sub-Fund is disqualified from the Tax Exemption Scheme, it may be exposed to Singapore tax on its income and gains, wholly or partially as the case may be, at the prevailing corporate tax rate (currently 17%). The Sub-Fund can however, enjoy the tax exemption under the Tax Exemption Scheme in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

Taxation of investors

Distributions paid by a Sub-Fund out of income derived during the periods that the Sub-Fund enjoys the Tax Exemption Scheme will be exempted from Singapore tax in the hand of its investors.

Reporting obligations

Under the Tax Exemption Scheme, each Sub-Fund will be required to submit annual tax returns to the Comptroller of Income Tax (the "**Comptroller**") in Singapore. In addition, each Sub-Fund must submit an annual declaration to the Authority. The annual declaration should be submitted within four months of the relevant Sub-Fund's financial year end.

Goods and services tax ("GST")

Each Sub-Fund may incur Singapore GST on its expenses. Should there be GST incurred, the relevant Sub-Fund shall be allowed to recover the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 December 2024 as announced in the 2019 Budget Statement. The amount of GST claimed is based on a fixed percentage which is revised annually. The fixed percentage for 2020 is 88%.

However, should the relevant Sub-Fund not meet the qualifying conditions, the GST incurred (if any) will become an additional cost to such Sub-Fund.

54. US tax reporting obligations under FATCA

The provisions of the Foreign Account Tax Compliance Act ("**FATCA**") were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act. It includes provisions under which the Managers as a Foreign Financial Institution ("**FFI**") may be required to report to the US Internal Revenue Service ("**IRS**") certain information about Units held by US persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. A 30% withholding tax may apply pursuant to the FATCA provisions on certain US-source payments (and other payments relating to investments in certain US securities) made to the FFI, unless it has in effect a valid agreement with the Secretary of the US Treasury, or is subject to local FATCA disclosure obligations enacted to give effect to an intergovernmental agreement between the FFI's jurisdiction of incorporation / establishment / residence and the US. These agreements obligate a FFI classified as a "Reporting Financial Institution" to obtain and verify certain information from investors and comply with annual reporting requirements with respect to certain direct or indirect US investors as well as satisfy other requirements. The provisions of FATCA are

generally designed to require the reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the IRS.

Singapore has concluded a Model I Intergovernmental Agreement with the US government (the "**Singapore-US IGA**"). Under the Singapore-US IGA, entities classified as "Reporting Singapore-based Financial Institutions" will be required to obtain certain information from investors and report requisite account information of investors who are Specified US Persons¹⁶ or of controlling person(s) of an investing entity who is/are a Specified US Person(s) to the IRAS.

The Trust and the Sub-Funds may accordingly be required to comply with the provisions of FATCA under the terms of the Singapore-US IGA and the Singapore legislation implementing the Singapore-US IGA.

In order to comply with its FATCA obligations, the relevant Sub-Fund, the Trustee or the Managers may be required to obtain certain information from you so as to ascertain your US tax status. If you are a Specified US Person under the provisions of FATCA, US owned non-US entity, non-participating FFI or do not provide the requisite documentation, the relevant Sub-Fund will need to report prescribed information on you to the IRAS, in accordance with applicable laws and regulations, which will in turn report this to the IRS. Provided that the relevant Sub-Fund acts in accordance with these provisions it will not be subject to withholding tax under FATCA.

Distributors and Holders should note that it is the existing policy of the Managers that Units are not being offered or sold for the account of US Persons for the purposes of FATCA and that subsequent transfers of Units to such US Persons are prohibited. If Units are beneficially owned by any such US Person, the Managers (in consultation with the Trustee) may compulsorily redeem such Units. Holders should moreover note that under the FATCA legislation, the definition of "Specified US Persons" will include a wider range of investors than the current US Person definition.

You should consult your tax advisor should you have any concerns in this regard.

Tax reporting obligations under CRS

The Common Reporting Standard ("**CRS**") is an internationally agreed standard endorsed by the Organisation for Economic Cooperation and Development ("**OECD**") and the Global Forum for Transparency and Exchange of Information for Tax Purposes. The CRS includes provisions under which a Financial Institution (as defined in the CRS) may be required to report to the IRAS, certain information about Units held by investors who are tax residents in jurisdictions which have committed to adopt CRS ("**CRS Participating Jurisdictions**") and to collect additional identification information for this purpose.

On 1 January 2017, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 ("**Singapore CRS Regulations**") was brought into effect to implement the CRS in Singapore. Under the Singapore CRS Regulations, entities classified as "Reporting Singapore-based Financial Institutions" will be required to obtain certain information from investors and report the prescribed account information of investors

¹⁶ A "Specified US Person" means any US Person (as defined in the FATCA) other than those specifically excluded under Article 1(bb) of the Singapore-US IGA.

with direct or indirect ownership of that entity (in certain circumstances) and who are tax residents of jurisdictions with which Singapore has a bilateral exchange relationship for CRS in force ("**CRS Reportable Jurisdictions**").

The Trust and the Sub-Funds may accordingly be required to comply with the provisions of CRS under the Singapore CRS Regulations.

In order to comply with its CRS obligations, the relevant Sub-Fund, the Trustee, or the Managers may be required to obtain certain information from you so as to ascertain your tax residency status. If you (or the controlling person(s) of an investing entity, in certain circumstances) are a tax resident in a CRS Reportable Jurisdiction, or do not provide the requisite documentation, the relevant Sub-Fund may need to report information on you to the IRAS, in accordance with applicable laws and regulations.

Distributors and Holders should note that it is the existing policy of the Managers that Units are not being offered or sold for the account of investors who do not provide the requisite information for CRS purposes and subsequent transfers of Units to such investors are prohibited. If Units are beneficially owned by any person who has not provided the requisite information for CRS purposes, the Managers (in consultation with the Trustee) may compulsorily redeem such Units.

Should you have any concerns in this regard, please consult your tax advisor on the possible tax and other consequences with respect to the implementation of the CRS.

55. Use of ratings issued by credit rating agencies

For each Sub-Fund where the Managers rely on ratings issued by credit rating agencies, the Managers have established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that its investments are in line with these standards. Information on the Managers' credit assessment process will be made available to you upon request. You may request for such information by contacting the Managers at telephone number (65) 6534 4288.

56. Liquidity risk management of the Sub-Funds

The Manager may employ liquidity risk management tools to manage the liquidity of the Sub-Funds. Please refer to paragraphs 33, 37, 38 and 43 of this Prospectus for information on some of the liquidity management tools that may be employed. If the liquidity risk management tools are employed, Holders may not be able to realise their Units during any suspension period, the realisation of their Units may be delayed and/or a dilution adjustment may be made to the NAV per Unit which may affect the amount of the realisation proceeds for their Units.

ANNEX

A. **Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (in this Annex collectively and individually referred to as the “Stock Connect”)**

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited (“**HKEX**”), Shanghai Stock Exchange (“**SSE**”) and China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange (“**SZSE**”) and ChinaClear. The aim of the Stock Connect is to achieve mutual stock market access between mainland China and Hong Kong.

Shanghai-Hong Kong Stock Connect

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Relevant Funds), through their Hong Kong brokers and a securities trading service company as established by The Stock Exchange of Hong Kong Limited (“**SEHK**”), may be able to trade eligible China A-Shares listed on the SSE by routing orders to SSE. Under the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect, investors in mainland China will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the Securities and Futures Commission (“**SFC**”) and the China Securities Regulatory Commission (“**CSRC**”), the Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014.

Under the Shanghai-Hong Kong Stock Connect, the Relevant Funds, through their Hong Kong brokers, may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except for the following:

- SSE-listed shares which are not traded in **RMB**; and
- SSE-listed shares which are included in the “**risk alert board**”.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota (“**Daily Quota**”). The Northbound Shanghai Trading Link and the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

Shenzhen-Hong Kong Stock Connect

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Relevant Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade

eligible China A-Shares listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect, investors in mainland China will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC, the Shenzhen-Hong Kong Stock Connect commenced trading on 5 December 2016.

Under the Shenzhen-Hong Kong Stock Connect, the Relevant Funds, through their Hong Kong brokers, may trade certain eligible shares listed on the SZSE. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all SZSE-listed shares of companies which have issued both China A-Shares and H-Shares, except for the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the “**risk alert board**”.

At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota. The Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

Stock Connect

The Hong Kong Securities Clearing Company Limited (“**HKSCC**”), a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors.

China A-Shares traded through the Stock Connect are issued in scripless form, and investors will not hold any physical China A-Shares. Although HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings / extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise the Hong Kong Central Clearing and Settlement System (“**CCASS**”) participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Under the Stock Connect, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant mainland Chinese authority when they trade and settle SSE securities and SZSE securities. Further information about the trading fees and levies is available online at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm.

B. Risks associated with investing through the Stock Connect

(a) Quota limitations

The Stock Connect is subject to quota limitations. In particular, the Stock Connect is subject to a daily quota which does not belong to the Relevant Funds and can only be utilised on a first-come-first-serve basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Relevant Funds' ability to invest in China A-Shares through the Stock Connect on a timely basis.

(b) Differences in trading days

The Stock Connect only operates on days when both mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the mainland China stock market but Hong Kong investors (such as the Relevant Funds) cannot carry out any China A-Shares trading through the Stock Connect. Due to the differences in trading days, the Relevant Funds 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.

(c) Suspension risk

Each of the SEHK, SSE and SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the Relevant Funds' ability to access the mainland China market will be adversely affected.

(d) Operational risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. If the relevant systems fail to function properly, trading

in both markets through the program could be disrupted. The Relevant Funds' ability to access the China A-Shares market will be adversely affected.

(e) *Restrictions on selling imposed by front-end monitoring*

The mainland China regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If any of the Relevant Funds intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Relevant Funds may not be able to dispose of holdings of China A-Shares in a timely manner.

(f) *Recalling of eligible stocks*

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.

(g) *Clearing and settlement risk*

HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the mainland China securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Relevant Funds may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

(h) *Currency risk*

The base currency of the Relevant Funds may not be denominated in RMB (i.e. the currency in which SSE and SZSE securities are traded and settled). The performance of the Relevant Funds may be affected by movements in the exchange rate between RMB and their respective base currency. The Relevant Funds may seek, but are not obliged, to hedge foreign currency risks. However, even if undertaken, such hedging may be ineffective. This may result in the Relevant Funds suffering from exchange

rate fluctuations. For further details on exchange rate risk, please see risk factors “**Currency Risk**” and “**RMB Currency Risk**” in Clauses 19(iv) and 19(xvii) of this Prospectus.

(i) *No Protection by Investor Compensation Fund*

Investment through the Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations.

Investments of the Relevant Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of China A-Shares via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Relevant Funds are exposed to the risks of default of the broker(s) they engage in their trading in China A-Shares through the Stock Connect.

(j) *Regulatory risk*

The current regulations relating to the Stock Connect are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in mainland China and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. The Relevant Funds may be adversely affected as a result of such changes.

(k) *Legal/Beneficial ownership of China A-Shares through Stock Connect*

China A-Shares traded through the Stock Connect by the Relevant Funds are held by the sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the China A-Shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for the Stock Connect. The precise nature and rights of the Relevant Funds as the beneficial owners of the China A-Shares through HKSCC as nominee is not well defined under the mainland China law. There is lack of a clear definition of, and distinction between, “**legal ownership**” and “**beneficial ownership**” under the mainland China law and there have been few cases involving a nominee account structure in the mainland China courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Relevant Funds under the mainland China law is uncertain. Because of this uncertainty, in the unlikely event that 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 Relevant Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

(l) *Risks associated with the Small and Medium Enterprise board and/or ChiNext market*

A Relevant Fund may invest in the Small and Medium Enterprise (“SME”) board and/or the ChiNext market of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for the Relevant Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices - Listed companies on the SME board and/or ChiNext board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

Over-valuation risk - Stocks listed on the SME board and/or ChiNext board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations - The rules and regulations regarding companies listed on ChiNext board are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk - It may be more common and faster for companies listed on the SME board and/or ChiNext board to delist. This may have an adverse impact on the Relevant Fund if the companies that it invests in are delisted.

C. Taxes associated with investing in mainland China

(a) Income and gains derived from trading China A-Shares

The Ministry of Finance of the PRC, the State of Administration of Taxation of the PRC and the CSRC jointly issued circulars in relation to the taxation rules on the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect under Circular Caishui [2014] No.81 (“**Circular 81**”) and Circular Caishui [2016] No. 127 (“**Circular 127**”) on 14 November 2014 and 1 December 2016 respectively. Under Circular 81 and Circular 127, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Trust) on the trading of China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect with effect from 17 November 2014 and 5 December 2016 respectively. However, Hong Kong and overseas investors are required to pay withholding income tax (“WIT”) on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the listed companies. Dividends from China A-Shares are not within the charging scope of Value-Added Tax (“VAT”).

(b) Interest income from bonds / debt securities issued in mainland China

On 22 November 2018, the Ministry of Finance (“MOF”) and State Taxation Administration (“STA”) of the PRC jointly issued circular Caishui [2018] No. 108 (“Circular 108”) to address the tax issues in relation to bond interest income received by foreign institutional investors from investments in the PRC bond market. Under Circular 108, non-PRC tax residents without a permanent establishment (PE) in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE), bond interest income received from 7 November 2018 to 6 November 2021 will be temporarily exempt from withholding

income tax (WIT) and Value-Added Tax (VAT). This is regardless of whether the non-PRC tax residents invest in the PRC bond market through QFII/RQFII and/or Bond Connect. Circular 108 did not specify the WIT and VAT treatments on income received by non-PRC tax residents from investment in other fixed income securities (such as asset-backed securities, certificates of deposits, etc.).

(c) Gains derived from trading bonds / debt securities issued in mainland China

The PRC tax authorities have verbally indicated, on numerous occasions, that capital gains realized by non-PRC tax residents from the disposal of PRC debt securities are considered non-PRC sourced income and hence not subject to PRC WIT. There is no specific written tax regulation to confirm this but, in practice, the PRC tax authorities have not actively enforced the collection of PRC WIT on gains realized by non-PRC tax residents from the disposal of PRC debt securities.

(d) VAT treatment of gains derived from trading securities in China

Gains realized from the trading of marketable securities in the PRC are generally subject to VAT at 6%; however, various Circulars issued by the authorities provide for exemptions from VAT for non-PRC tax residents investing via QFII/RQFII, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and/or Bond Connect.

APPENDIX 1

- SCHRODER EMERGING MARKETS FUND

This Appendix sets out the fund details of the Schroder Emerging Markets Fund, a Sub-Fund under the Trust which invests into the Schroder ISF Emerging Markets, one of the sub-funds in the Schroder ISF.

1. Investment objective and policy

The Schroder Emerging Markets Fund aims to provide capital growth by investing primarily (i.e. approximately two-thirds of its assets) into the Schroder ISF Emerging Markets, whose investment objective is to aim to provide capital growth by investing in equity and equity related securities of emerging markets companies.

Schroder Investment Management Limited, as investment manager of the Schroder ISF Emerging Markets, uses its extensive global research capability to identify the most attractively priced growth opportunities in these markets. Active risk is diversified across country and stocks. Stock-selection draws extensively on the recommendations of analysts. Country-selection relies on bottom-up aggregation of analyst inputs alongside a number of macroeconomic research tools that identify countries with attractive risk and growth characteristics. Growth at a reasonable price is the closest fit to the investment manager's emerging equity style.

The Schroder ISF Emerging Markets invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets. The 'on the ground' research the investment manager carries out in emerging market countries enables them to take advantage of the investment potential available in this asset class. The investment manager believes emerging market economies have excellent long-term growth prospects. They are generally growing at a faster rate than the developed world and the investment manager believes this is a trend which is set to continue in the future.

The Schroder ISF Emerging Markets may use financial derivatives with the aim of achieving investment gains, reducing risk or managing the Schroder ISF Emerging Markets more efficiently. The Schroder ISF Emerging Markets may also invest in money market investments and hold cash.

The Schroder ISF Emerging Markets may invest directly in China B-Shares and China H-Shares and may invest up to 5% of its assets in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect.

This Sub-Fund is suitable for investors who:

- seek capital growth; and
- understand the risks of investing in emerging market equities.

The NAV of the Schroder ISF Emerging Markets (and accordingly that of the Schroder Emerging Markets Fund) is likely to have high volatility due to its investment policies or portfolio management techniques.

You should consult your financial advisers if in doubt as to whether this Sub-Fund is suitable for you.

The investment and borrowing restrictions of Appendix 1 of the Code shall apply to this Sub-Fund.

This Sub-Fund currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code.

You should note that the base currency of this Sub-Fund is SGD, while the base currency of the Schroder ISF Emerging Markets is USD.

2. Subscription of Units of the Schroder Emerging Markets Fund

Units of the Schroder Emerging Markets Fund may be purchased using cash or SRS Contributions, subject to any restrictions imposed from time to time on applications using SRS Contributions by any applicable authority, and you should contact the Managers or the relevant distributors for more information.

3. Past Performance of the Sub-Fund and benchmark

The returns of the Schroder Emerging Markets Fund and its benchmark, the MSCI Emerging Markets Index, since launch and over the last 1, 3, 5 and 10 years (as at **31 March 2020**) are as follows:-

	1 year	3 years	5 years	10 years	since launch*
	Total Return	Average Annual Compounded Return			
Schroder Emerging Markets Fund	-16.73 %	-2.46 %	-0.40 %	-0.01 %	2.23 %
MSCI Emerging Markets Index	-13.47 %	-1.00 %	0.38 %	0.87 %	4.27 %

* Launch Date was 6 April 2000¹⁷

Source: Schroders, SGD, net dividends reinvested

Returns are calculated on an offer-to-bid basis (taking into account the Initial Sales Charge) and on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

You should note that the performance returns of the Sub-Fund as shown in the table above are calculated based on the NAV of the Sub-Fund after dilution adjustments (if any) have been applied.

¹⁷ Please note that the launch date of the Schroder Emerging Markets Fund is the same as the inception date of the Schroder Emerging Markets Fund.

You should note that the past performance of the Sub-Fund is not necessarily indicative of the future performance of the Sub-Fund.

Expense Ratio

The expense ratio based on the Schroder Emerging Markets Fund's latest audited accounts for the period 1 January 2019 to 31 December 2019 was 1.92%.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on expense ratios. The following expenses (where applicable) are excluded from calculating the Sub-Fund's expense ratio:-

- brokerage and other transactions costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;
- front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- tax deducted at source or arising on income received including withholding tax;
- interest expense; and
- dividends and other distributions paid to Holders.

Turnover Ratio

The turnover ratio¹⁸ of the Schroder Emerging Markets Fund for the period 1 January 2019 to 31 December 2019 was 1.60%.

For the period 1 January 2019 to 31 December 2019, the turnover ratio¹⁸ of the Schroder ISF Emerging Markets was 38.00%.

¹⁸ The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Schroder Emerging Markets Fund or the Schroder ISF Emerging Markets (as the case may be) expressed as a percentage of the daily average NAV of the Schroder Emerging Markets Fund or the Schroder ISF Emerging Markets (as the case may be) .

APPENDIX 2

- SCHRODER ASIAN EQUITY YIELD FUND

This Appendix sets out the fund details of the Schroder Asian Equity Yield Fund, a Sub-Fund under the Trust which is a direct investment fund.

1. Investment objective and policy

The Schroder Asian Equity Yield Fund aims to provide capital growth and income through investment in equity and equity related securities of Asian companies¹⁹ (excluding Japan) which offer attractive yields and sustainable dividend payments.

The Managers believe that a true growth company grows its dividend over time and that dividend payout is positively related to real earnings growth because dividend policy indicates management's belief in their company's future prospects, improving corporate governance as well as prudent capital management and spending.

The Managers therefore seek to identify and invest in companies that focus on shareholder value in the form of sustainable dividend returns combined with the prospect for capital growth.

The Managers place primary emphasis on their capability to generate investment insight through bottom-up research, focusing on the analysis of dividend characteristics to identify quality stocks which possess stable and sustainable dividends. The Managers believe in the potential to generate insight through research and to translate that insight into superior investment performance through skilful, highly disciplined portfolio construction, while always maintaining the appropriate level of investment risk.

At least two-thirds of the Schroder Asian Equity Yield Fund (excluding cash) will be invested in shares of Asian companies (excluding Japan). The Schroder Asian Equity Yield Fund has no bias to any particular country or industry.

The Schroder Asian Equity Yield Fund may invest less than 30% of its assets in China A-shares listed within mainland China, through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect and/or other means as may be permitted by the relevant regulations from time to time.

The Schroder Asian Equity Yield Fund aims to generate stable long-term returns through a combination of capital growth and income streams at a low level of volatility. The Schroder Asian Equity Yield Fund invests in the shares of companies in the Asia (excluding Japan) region that are disciplined in how they use their available cash, preferring those that pay attractive levels of dividends now but, crucially, also retain enough cash to reinvest back into the company to generate future growth.

The Schroder Asian Equity Yield Fund may also invest in other financial instruments and hold cash on deposit. Financial derivatives may be used for the purpose of optimising returns, hedging and/or efficient portfolio management.

¹⁹ This could include companies that are listed in Australia and/or New Zealand.

This Sub-Fund is suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equities in the Asia (excluding Japan) region.

The NAV of the Schroder Asian Equity Yield Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

You should consult their financial advisers if in doubt as to whether this Sub-Fund is suitable for you.

The CPFIS Guidelines issued by the CPF Board, which guidelines may be amended from time to time, shall apply to this Sub-Fund.

The investment and borrowing restrictions of Appendix 1 of the Code shall also apply to this Sub-Fund.

In addition to the CPFIS Guidelines and the investment and borrowing restrictions of Appendix 1 of the Code, for so long as this Sub-Fund is a Qualifying CIS, the product restrictions of Qualifying CIS set out in Sections 1, 2, 3 and 4 of Part II of the Standards of Qualifying CIS will apply to this Sub-Fund.

For so long as this Sub-Fund is a Qualifying CIS, it will not engage in securities lending or repurchase transactions.

2. Subscription of Units of the Schroder Asian Equity Yield Fund

Class A Units and Class O Units of the Schroder Asian Equity Yield Fund may be purchased using cash, CPF Contributions or SRS Contributions, subject to any restrictions imposed from time to time on applications using CPF Contributions or SRS Contributions by any applicable authority, and you should contact the Managers or the relevant distributors for more information.

The Schroder Asian Equity Yield Fund has been classified under the category of “**Higher Risk - Narrowly Focused - Regional - Asia**” by the CPF Board.

3. Past Performance of the Sub-Fund and reference benchmark

The returns of the Class A of the Schroder Asian Equity Yield Fund and its benchmark, the MSCI AC Pacific Free ex Japan, since launch and over the last 1, 3, 5 and 10 years (as at 31 March 2020) are as follows:-

	1 year	3 years	5 years	10 years	since launch*
	Total Return	Average Annual Compounded Return			
Class A	-21.01 %	-5.46 %	-2.25 %	3.13 %	3.14 %
MSCI AC Pacific Free ex Japan**	-9.28 %	0.79 %	1.76 %	5.47 %	5.50 %

* Launch Date was 11 February 2005²⁰.

Source: Schroders, SGD, net dividends reinvested

** With effect from 2 July 2012, the benchmark was changed from Dividend Yield of MSCI AC Pacific Free ex Japan (Gross) Index +2% to MSCI AC Pacific Free ex Japan – this change in benchmark was to reflect the equity market exposure and key investment markets of the then underlying Schroder ISF Asian Equity Yield (prior to 17 December 2012, the Schroder Asian Equity Yield Fund was a feeder fund that invested into the Schroder ISF Asian Equity Yield). Dividend Yield of MSCI AC Pacific Free ex Japan (Gross) Index +2% was renamed on 30 January 2004 and was formerly known as Dividend Yield of MSCI AC Pacific Free ex Japan Index + 2%. The performance of the old benchmark has been chainlinked to the current benchmark.

Returns are calculated on an offer-to-bid basis (taking into account the Initial Sales Charge) and on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

Note: With effect from 2 March 2013, existing Units of the Schroder Asian Equity Yield Fund were re-designated as Class A Units.

The returns of the Class O of the Schroder Asian Equity Yield Fund and its benchmark, the MSCI AC Pacific Free ex Japan, since launch and over the last 1, 3 and 5 years (as at 31 March 2020) are as follows:-

²⁰ Please note that the launch date of each Class of the Schroder Asian Equity Yield Fund is the same as the inception date of that Class.

	1 year	3 years	5 years	since launch*
	Total Return	Average Annual Compounded Return		
Class O	-20.81 %	-5.38 %	-2.21 %	0.57 %
MSCI AC Pacific Free ex Japan	-9.28 %	0.79 %	1.76 %	3.54 %

* Launch Date was 1 March 2013²⁰.

Source: Schroders, SGD, net dividends reinvested.

Returns are calculated on an offer-to-bid basis (taking into account the Initial Sales Charge) and on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment.

You should note that the performance returns of the Sub-Fund as shown in the tables above are calculated based on the NAV of the Sub-Fund after dilution adjustments (if any) have been applied.

You should note that the past performance of the Sub-Fund is not necessarily indicative of the future performance of the Sub-Fund.

Expense Ratio

The expense ratio for Class A and Class O based on the Schroder Asian Equity Yield Fund's latest audited accounts for the period 1 January 2019 to 31 December 2019 were 1.74% and 1.74% respectively.

The expense ratios are calculated in accordance with the Investment Management Association of Singapore's guidelines on expense ratios. The following expenses (where applicable) are excluded from calculating the expense ratios:-

- brokerage and other transactions costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;
- front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- tax deducted at source or arising on income received including withholding tax;
- interest expense; and
- dividends and other distributions paid to Holders.

Turnover Ratio

The turnover ratio²¹ of the Schroder Asian Equity Yield Fund for the period 1 January 2019 to 31 December 2019 was 14.61%.

4. Distribution Policy

For Class A Units of the Schroder Asian Equity Yield Fund, the Managers intend to make distributions at a variable percentage per annum of the net asset value per Unit of such Class to relevant Holders on a monthly basis on such date as may be determined by the Managers. Unitholders who are named in the Register as at the date of declaration of distributions will be entitled to such distributions.

For Class O Units of the Schroder Asian Equity Yield Fund, the Managers intend to make distributions at a variable percentage per annum of the net asset value per Unit of the relevant Class to relevant Holders on a quarterly basis on such date as may be determined by the Managers. Holders who are named in the Register as at the date of declaration of distributions will be entitled to such distributions.

The distribution policies set out above are subject to the provisions in Clause 45 of this Prospectus, and in particular, to the Managers' right to review and make changes to any such policy. Where the income generated by the Schroder Asian Equity Yield Fund is insufficient to pay distributions as declared, the Managers may at their discretion make such distributions out of the capital of the relevant Class(es). Distributions out of capital may only be made with the Trustee's consent. You should note that in the circumstances where distributions are paid out of the capital of the relevant Class(es) of the Schroder Asian Equity Yield Fund, the NAV of the relevant Class(es) will be reduced.

²¹ The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Schroder Asian Equity Yield Fund expressed as a percentage of the daily average NAV of the Schroder Asian Equity Yield Fund.

GLOSSARY

All capitalised terms and expressions used in this document which are not defined hereunder shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed.

“**accounts**” means the profit and loss accounts and balance-sheets and includes notes (other than auditors' reports or directors' reports) attached or intended to be read with any of those profit and loss accounts or balance-sheets.

“**Agent Bank**” means any bank which is allowed by the CPF Board to handle CPF-OA monies for purposes of the Regulations.

“**American Depositary Receipt**” means a security issued by a company outside of the U.S. which physically remains in the country of issue (usually in the custody of a bank) but which is traded on U.S. stock exchanges.

“**Associate**” means and includes any corporation which in relation to the person concerned (being a corporation) is a holding company or a subsidiary or a subsidiary of any such holding company or a corporation (or a subsidiary of a corporation) at least one-fifth of the issued equity share capital of which is beneficially owned by the person concerned or an Associate thereof under the preceding part of this definition. Where the person concerned is an individual or firm or other unincorporated body, the expression “**Associate**” means and includes any corporation directly or indirectly controlled by such person.

“**Authorised Investment**” means, subject to the Code and (in respect of the Schroder Asian Equity Yield Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS:-

- (1) in relation to a Sub-Fund which is not a CPFIS Included Fund:-
 - (i) any Quoted Security;
 - (ii) any Unquoted Security;
 - (iii) any Fund;
 - (iv) any other type of security not mentioned in paragraphs (i) to (iii) above and selected by the Managers for investment of the Deposited Property and approved by the Trustee (such approval to be confirmed in writing); and
- (2) in relation to a Sub-Fund which is a CPFIS Included Fund, any Investment or other property, assets or rights for the time being approved for investment under the Regulations,

Provided That, in the event that:

- (i) more than 10% of the relevant Sub-Fund Property, with respect to a Sub-Fund which is not a CPFIS Included Fund; or
- (ii) any amount of the relevant Sub-Fund Property, with respect to a Sub-Fund which is a CPFIS Included Fund,

is invested in any other unit trust, mutual fund or collective investment scheme, the approval of the relevant authorities is required.

“**Business Day**” means any day (other than a Saturday, a Sunday or a public gazetted holiday) on which commercial banks in Singapore are open for business (or such other day as may from time to time be determined by the Managers with the approval of the Trustee).

“**Class**” means any class of Units in a Sub-Fund which may be designated as a class distinct from another class in the Sub-Fund as may be determined by the Managers from time to time.

“**CPF**” means the Central Provident Fund.

“**CPF-OA**” means the Central Provident Fund Ordinary Account.

“**CPF Board**” means the Central Provident Fund Board established pursuant to the Central Provident Fund Act (Chapter 36) of Singapore, as the same may be amended from time to time.

“**CPF Contributions**” has the meaning ascribed thereto in the Regulations, as the same may be amended from time to time.

“**CPF Investment Account**” means an account opened by a CPF member with an Agent Bank for which CPF Contributions may be withdrawn for the purchase of Authorised Investments.

“**CPF Units**” means Units subscribed or purchased with CPF Contributions pursuant to the Regulations.

“**CPFIS**” means the Central Provident Fund Investment Scheme (as defined in the Regulations), as the same may be amended from time to time.

“**CPFIS Guidelines**” means the investment guidelines issued by the CPF Board for collective investment schemes included under the CPFIS, as may be updated, modified, amended, supplemented or re-constituted from time to time.

“**CPFIS Included Fund**” means any unit trust or sub-fund of a unit trust which the CPF Board or such other relevant authorities in Singapore may include under the CPFIS for investment by CPF members.

“**Cash Units**” means Units other than CPF Units or SRS Units.

“**Code**” means the Code on Collective Investment Schemes issued by the Authority, as the same may be amended from time to time.

“**Commencement Date**” in relation to the Sub-Funds established under the Original Deed, means the date of the Original Deed (as defined in the Deed) and in relation to the Sub-Funds established or to be established pursuant to Clause 8(B) of the Deed, means the date specified in the relevant supplemental deed or the relevant amended and restated deed establishing such Sub-Funds.

“**Common Dealing Day**” means a day which is both a Dealing Day in relation to the Units in the original Sub-Fund or the original Class and to the Units in the new Sub-Fund or the new Class (as the case may be).

“**Dealing Day**” in relation to Units of any particular Sub-Fund, such day or days as the Managers may from time to time with the approval of the Trustee determine, but so that:-

- (i) unless and until the Managers (with the approval of the Trustee) otherwise determine, each Business Day after the Commencement Date in relation to the relevant Sub-Fund shall be a Dealing Day in relation to that Sub-Fund; and

- (ii) without prejudice to the generality of the foregoing, if on any day which would otherwise be a Dealing Day in relation to Units of any particular Sub-Fund (a) the Recognised Stock Exchange or Exchanges on which the Authorised Investment or other property comprised in, and having in aggregate Values amounting to at least 50% of the Value (as of the immediately preceding Valuation Point (as defined in the Deed)) of the Sub-Fund of which such Units relate are quoted, listed or dealt in is or are not open for normal trading, or (b) in the case of a Sub-Fund that is a Feeder Fund, on any day where the relevant underlying fund is not normally traded, the Managers may determine that such day shall not be a Dealing Day in relation to Units of that Sub-Fund.

“Dealing Deadline” in relation to any particular Dealing Day or Common Dealing Day (as the case may be), means 5 p.m. (Singapore time) on such Dealing Day or Common Dealing Day (as the case may be) or such other time of the day (being a time of day on or, subject as hereinafter mentioned, prior to that Dealing Day or Common Dealing Day, as the case may be) as the Managers may with the approval of the Trustee from time to time determine.

“Deposited Property” means all the assets for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the Distribution Accounts.

“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 or the increase or decrease of the Deposited Property 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.

“Existing Schroder Funds” means:-

- (1) the Schroder International Selection Fund Emerging Markets; and
- (2) the Schroder International Selection Fund European Value.

all of which are sub-funds within the Schroder International Selection Fund, SICAV.

“Feeder Fund” means a Sub-Fund which invests primarily in securities which are units or sub-units in a unit trust scheme or participations in a mutual fund or other interests in a collective investment scheme which is managed or advised by the Managers or any Associate of the Managers and whose investment policy is the same or substantially the same as such Sub-Fund.

“**Fund**” means any unit or sub-unit or share of any unit trust or mutual fund or investment corporation (or any participation in any scheme whose primary investment purpose it is to invest in equity securities) managed or advised by a Schroder Company including the Existing Schroder Funds and any successor schemes thereto.

“**Global Depository Receipt**” means a security issued by a company outside of the U.S. which physically remains in the country of issue (usually in the custody of a bank) but which is traded on exchanges outside the U.S.

“**Gross Investment Sum**” means the aggregate amount comprising the Net Investment Sum paid or to be paid by, or received or to be received from, an applicant for the subscription or purchase of Units, together with the Initial Sales Charge and any applicable Duties and Charges payable in respect thereof.

“**Holder**” means the registered holder for the time being of a Unit (which in the case of CPF Units means the nominee company of the Agent Bank) and includes all Joint Holders.

“**Inception Date**” means, in relation to each Sub-Fund or Class, the first Business Day after the last Business Day of the Initial Offer Period of such Sub-Fund or Class.

“**Initial Offer Period**” means, in relation to any Sub-Fund or Class, a period not exceeding sixty (60) days (or such longer or shorter period as may be determined by the Managers) and commencing and ending on such dates as may be determined by the Managers (with prior notification to the Trustee) during which Units in that Sub-Fund or Class will be offered at the Initial Offer Price.

“**Initial Offer Price**” means the initial price at which a Unit in any Sub-Fund or Class will be issued or offered during the relevant Initial Offer Period as described in Clause 10(B) of the Deed.

“**Initial Sales Charge**” means a charge upon the issue of a Unit of any Sub-Fund or Class of such amount as shall from time to time be fixed by and payable to the Managers generally or in relation to any specific or class of transaction PROVIDED THAT it shall not exceed 5% of the Gross Investment Sum.

“**Investment**” means, subject to the Code and (in respect of the Schroder Asian Equity Yield Fund only and for so long as it is a Qualifying CIS) the Standards of Qualifying CIS, any share, stock, bond, debenture, debenture stock, unit or sub-unit of a unit trust or mutual fund, warrant, option or any derivative and all “**securities**” as defined in the Regulations, as amended from time to time and shares offered under an initial public offer.

“**Joint Holders**” means such persons for the time being entered in the Register as joint holders of a Unit, who shall hold the Unit either as Joint-All Holders or Joint-Alternate Holders.

“**Joint-All Holders**” means Joint Holders whose mandate the Managers and the Trustee shall act upon only if given by all of such Joint Holders.

“**Joint-Alternate Holders**” means Joint Holders whose mandate the Managers and the Trustee shall act upon if given by either of such Joint Holders.

“**Launch Date**” in relation to each Sub-Fund or Class, is the same as the Inception Date of such Sub-Fund or Class.

“Market” means any over-the-counter market, telephone market, futures market and organised or informal market (other than a Recognised Stock Exchange) at which securities are regularly invested in any part of the world so as to provide in the opinion of the Managers a satisfactory market for the Authorised Investment.

“Moody's” means Moody's Investors Service, Inc, U.S.A..

“Net Investment Sum” means the amount paid or to be paid to the Managers by an applicant for the subscription or purchase of Units, net of the Initial Sales Charge and any applicable Duties and Charges payable in respect thereof.

“Quoted Security” means:-

- (i) any Investment (denominated in any currency), which is listed or traded or in respect of which permission to deal is effective on a Recognised Stock Exchange; and
- (ii) any Investment (denominated in any currency), in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding twelve weeks or in respect of which the Managers are satisfied that the subscription or other transactions will be cancelled if the application is refused.

“Realisation Charge” means a charge upon the realisation of a Unit of any Sub-Fund or Class of such amount as shall from time to time be fixed by the Managers generally or in relation to any specific or class of transaction PROVIDED THAT it shall not exceed 4% (or such other percentage as the Managers and the Trustee may otherwise agree) of the realisation proceeds for Units of a Sub-Fund or Class.

“Recognised Stock Exchange” means any stock exchange or any futures exchange of repute and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association dealing in the Authorised Investment and any responsible mutual fund or subsidiary thereof or unit trust scheme issuing and redeeming participations or units (as the case may be) so as to provide in the opinion of the Managers a satisfactory market for the Authorised Investment and in such a case the Authorised Investment shall be deemed to be the subject of an effective permission to deal or listing on the stock exchange deemed to be constituted by such firm, corporation, association, mutual fund or subsidiary thereof or unit trust scheme. For the avoidance of doubt, this definition shall always include the Schroder International Selection Fund SICAV (*société d'investissement à capital variable*), an investment company incorporated under the laws of the Grand Duchy of Luxembourg.

“Regulations” means the Central Provident Fund (Investment Schemes) Regulations, as the same may be amended, modified, supplemented, re-enacted or re-constituted from time to time.

“RQFII” means the Renminbi Qualified Foreign Institutional Investor.

“SFA” means the Securities and Futures Act (Chapter 289) of Singapore, as the same may be amended from time to time.

“SICAV” means *société d'investissement à capital variable* or an open-ended investment company.

“SRS” means the Supplementary Retirement Scheme.

“**SRS Account**” means an account opened by an investor with an SRS Operator for the purposes of investment under the SRS.

“**SRS Contributions**” means monies withdrawn from an investor's SRS Account.

“**SRS Operator**” means the relevant bank appointed by the Ministry of Finance from time to time to operate SRS Accounts.

“**SRS Units**” means Units subscribed or purchased using SRS Contributions.

“**Schroder Company**” means Schroder Investment Management Limited, a company incorporated in the United Kingdom and a subsidiary of Schroders p.l.c. and its related corporations.

“**Sub-Fund**” means a sub-fund established pursuant to the Deed.

“**Sub-Fund Property**” means all of the assets for the time being comprised in any Sub-Fund or attributable to any Class or deemed to be held upon the trusts of the Deed for account of the relevant Sub-Fund or Class excluding any amount for the time being standing to the credit of the Distribution Account (as defined in the Deed) of the relevant Sub-Fund or attributable to the relevant Class.

“**securities**” includes any share, stock, bond, note, debenture, debenture stock, unit or sub-unit of a unit trust or mutual fund, warrant, depository receipt, deposit, certificate of deposit, convertible debt instrument, treasury bill, bill of exchange, money market fixed and floating rate instruments and other short-term debt instruments and any other securities or instrument which may be selected by the Managers subject to the approval of the Trustee for the purpose of investment of the Deposited Property.

“**Standard & Poor's**” means Standard and Poor's Corporation, U.S.A..

“**Stockbroker**” means a member of a Recognised Stock Exchange.

“**Switching Fee**” means the fee payable to the Managers on the switching of Units of any Sub-Fund or Class into Units of any other Sub-Fund or Class or units of a new Trust in accordance with the provisions of Clause 12(K)(v) and 12(L)(v) of the Deed respectively.

“**Switching Notice**” means a notice from a Holder requiring realisation of Units of any Sub-Fund or Class and the issue of Units of a new Sub-Fund or Class or the issue of units of the new Trust in lieu thereof given pursuant to Clause 12(K)(iv) and 12(L)(iv) of the Deed respectively.

“**Unit**” means one (1) undivided share of any Sub-Fund or Class in respect of which the Unit is issued. Where the context so requires the definition includes a fraction of a Unit and save where the Deed otherwise provides a fraction of a Unit shall rank *pari passu* and proportionately with a whole Unit.

“**Unquoted Security**” means any Investment (denominated in any currency) which is not listed, quoted or dealt on any Recognised Stock Exchange but dealt with on any Market PROVIDED THAT the Existing Schroder Funds shall not be construed as Unquoted Securities.

**SCHRODER INTERNATIONAL CHOICE PORTFOLIO
BOARD OF DIRECTORS OF
SCHRODER INVESTMENT MANAGEMENT (SINGAPORE) LTD**

Signed:

Signed:

SUSAN SOH SHIN YANN

THAM EE MERN LILIAN

Signed:

Signed:

WONG YOKE LIN MARTINA

CHONG SIOK CHIAN GRACE

Signed:

Signed:

DIAO WEI CHIEN ROY

LILY CHOH CHAW LEE

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 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 International Choice Portfolio - Schroder Asian Equity Yield Fund (the “Fund”)

Product Type	Unit Trust	Launch Date	11 February 2005
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 2019	Class A and Class O: 1.74%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equities in the Asia (excluding Japan) region.

Further Information

Refer to the “Investment objective and policy” section of Appendix 2 to 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 provide capital growth and income through investment in equity and equity related securities of Asian (excluding Japan) companies² which offer attractive yields and sustainable dividend payments.

For Class A Units, the Manager intends to make distributions at a variable percentage per annum of the NAV per Unit of such Class to relevant Holders on a monthly basis on such date as may be determined by the Manager.

For Class O Units, the Manager intends to make distributions at a variable percentage per annum of the NAV per Unit of such Class to relevant Holders on a quarterly basis on such date as may be determined by the Manager.

Refer to the “Basic Information” section of the Prospectus and the “Investment objective and policy” and “Distribution Policy” sections of Appendix 2 to the Prospectus for further information on features of the product.

Investment Strategy

At least two-thirds of the Fund (excluding cash) will be invested in shares of Asian companies (excluding Japan). The Fund has no bias to any particular country or industry.

The Fund may invest less than 30% of its assets in China A-shares listed within mainland China, through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect and/or other means as may be permitted by the relevant regulations from time to time.

The Fund aims to generate stable long-term returns through a combination of capital growth and income streams at a low level of volatility. The Fund invests in

Refer to the “Investment objective and policy” section of Appendix 2 to the Prospectus for further information on the investment strategy of the Fund.

¹ The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at <http://www.schroders.com.sg>.

² This could include companies that are listed in Australia and/or New Zealand.

the shares of companies in the Asia (excluding Japan) region that are disciplined in how they use their available cash, preferring those that pay attractive levels of dividends now but, crucially, also retain enough cash to reinvest back into the company to generate future growth.

The Fund may also invest in other financial instruments and hold cash on deposit. **Financial derivatives may be used for the purpose of optimising returns, hedging and/or efficient portfolio management. The NAV of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.**

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Choice Portfolio.
- 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.

Refer to the “The Managers and Delegated Functions” and “The Trustee and the Custodian” sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the “Risks, Financial Derivatives, Risk Management Process and Supplementary Information” section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia (excluding Japan).

- The value of investments by the Fund may go up and down due to changing economic, political or market conditions, or due to an issuer’s individual situation.

Liquidity Risks

There is no secondary market for the Fund. All redemption requests should be submitted to the Manager or its appointed agents.

Product-Specific Risks

You are exposed to small cap liquidity risk.

- Investments in small companies can be difficult to sell quickly which may affect the value of the Fund and, in extreme market conditions, its ability to meet redemption requests upon demand.

You are exposed to risks relating to distributions.

- The Manager has the absolute discretion to determine whether a distribution is to be declared. The Manager also reserves the right to review and make changes to the distribution policy from time to time. Where the income generated by the Fund is insufficient to pay distributions as declared, the Manager may at its discretion make such distributions out of the capital of the relevant Class(es). Distributions out of capital may only be made with the Trustee’s consent. You should note that in the circumstances where distributions are paid out of capital of the relevant Class(es), the NAV of the relevant Class(es) will be reduced.

You are exposed to risks associated with investing through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

- 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).

You are exposed to financial derivatives risk.

- **The Fund may use financial derivatives.** The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. 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.

You are exposed to risks relating to China A-shares and China B-shares.

- The mainland China markets on which China A-shares and China B-shares are traded have in the past experienced significant price volatility and there can be no assurance that such volatility will not occur in the future. These markets may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention) than markets in more developed countries. Market volatility and potential lack of liquidity (for example, low liquidity in respect of China B-shares due to low trading volume) may result in prices of securities traded on the mainland China markets to fluctuate significantly. As a result, the NAV of the Fund may be adversely affected.

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:

Initial Sales Charge	<ul style="list-style-type: none"> – Cash Units and SRS Units: Up to 5% of the gross investment sum (maximum 5%) – CPF Units: <ul style="list-style-type: none"> – Prior to 1 October 2020: Up to 1.5% of the gross investment sum (maximum 1.5%) – With effect from 1 October 2020³: Nil
Realisation Charge	<ul style="list-style-type: none"> – Currently nil (maximum 4%)
Switching Fee	<ul style="list-style-type: none"> – Currently 1% (maximum of 1% and minimum of S\$5 (or such amount as may from time to time be determined by the Managers))

Refer to the “Fees and Charges” section of the Prospectus for further information on fees and charges.

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:

Management Fee (per annum) (a) Retained by Manager (b) Paid by Manager to financial adviser (trailer fee)	<ul style="list-style-type: none"> – Currently 1.5% (maximum 1.75%) – (a) 35% to 100% of Management Fee – (b) 0% to 65%⁴ of Management Fee
Trustee Fee (per annum)	<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

³ The effective date is subject to changes as may be determined by the CPF Board.

⁴ Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

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

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 the minimum realisation amount for the relevant Class and the payment of any applicable Realisation Charge. The Realisation Request must specify the Units of the relevant Class to be realised.

The realisation proceeds are paid to you within seven (7) Business Days (or such other period as may be prescribed by the Monetary Authority of Singapore) following the receipt of the Realisation Request.

Your realisation 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 relevant Class 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 relevant Class at the close of the next Dealing Day.

The realisation proceeds that you will receive will be the realisation price per Unit of the relevant Class multiplied by the number of Units realised, less any applicable Duties and Charges. An example is as follows:

1000	x	S\$1.100	=	S\$1,100.00
Number of Units realised		Notional realisation price (NAV per Unit of the relevant Class)		Gross sale proceeds

This example is on the assumption that there is no Realisation Charge or Duties and Charges imposed presently.

If applicable to you as provided in 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 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 relevant Class since the time of your subscription.

Refer to the "Subscription/ Cancellation of Units", "Realisation of Units" and "Obtaining Prices of Units" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd

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Singapore 048946 Tel: +65 6534 4288
Website: www.schroders.com.sg

Distributor

The Manager

APPENDIX: GLOSSARY OF TERMS

“**Business Day**” means any day (other than a Saturday, a Sunday or a public gazetted holiday) on which commercial banks in Singapore are open for business (or such other day as may from time to time be determined by the Managers with the approval of the Trustee).

“**Class**” means any class of Units in the Fund.

“**CPF**” means the Central Provident Fund.

“**Dealing Day**” means such day or days as the Manager may from time to time with the approval of the Trustee determine, but so that:

- (i) unless and until the Manager (with the approval of the Trustee) otherwise determines, each Business Day shall be a Dealing Day; and
- (ii) without prejudice to the generality of the foregoing, if on any day which would otherwise be a Dealing Day the recognised stock exchange or exchanges on which the authorised investment or other property comprised in, and having in aggregate values amounting to at least 50% of the value (as of the immediately preceding Valuation Point (as defined in the trust deed of the Fund, as amended)) of the Fund are quoted, listed or dealt in is or are not open for normal trading, the Manager may determine that such day shall not be a Dealing Day in relation to Units of the Fund.

“**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 or the increase or decrease of the deposited property 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.

“**Launch Date**” in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

“**NAV**” means net asset value.

“**SRS**” means the Supplementary Retirement Scheme.

“**Unit**” means one (1) undivided share of a Class in respect of which the Unit was issued.

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 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 International Choice Portfolio - Schroder Emerging Markets Fund (the “Fund”)

Product Type	Unit Trust	Launch Date	06 April 2000
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 2019	1.92%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in emerging market equities.

Further Information

Refer to the “Investment objective and policy” section of Appendix 1 to 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 provide capital growth by investing primarily (i.e. approximately two-thirds of its assets) into the Schroder International Selection Fund Emerging Markets (the “Underlying Fund”), whose investment objective is to aim to provide capital growth by investing in equity and equity related securities of emerging markets companies.

The Underlying Fund is one of the sub-funds in the Schroder International Selection Fund (“Schroder ISF”), an open-ended investment company incorporated in Luxembourg.

Refer to the “Basic Information” section of the Prospectus and the

“Investment objective and policy” section of Appendix 1 to the Prospectus for further information on features of the product.

Investment Strategy

The Underlying Fund invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets.

The Underlying Fund may use financial derivatives with the aim of achieving investment gains, reducing risk or managing the Underlying Fund more efficiently. The Underlying Fund may also invest in money market investments and hold cash.

The NAV of the Underlying Fund (and accordingly that of the Fund) is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the “Investment objective and policy” section of Appendix 1 to the Prospectus for further information on the investment strategy of the Fund.

¹ The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at <http://www.schroders.com.sg>.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Choice Portfolio.
- 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.

Refer to the “The Managers and Delegated Functions” and “The Trustee and the Custodian” sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the “Risks, Financial Derivatives, Risk Management Process and Supplementary Information” section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund or the Underlying Fund may go up and down due to changing economic, political or market conditions, or due to an issuer’s individual situation.

Liquidity Risks

There is no secondary market for the Fund. All redemption requests should be submitted to the Manager or its appointed agents.

You are exposed to liquidity risk.

- In difficult market conditions, the Underlying Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Fund or the Underlying Fund to defer or suspend redemptions of its Units or shares respectively.

Product-Specific Risks

You are exposed to risks specific to China.

- Any significant change in mainland China’s political, social or economic policies may have a negative impact on investments in the China market. Changes in mainland China’s taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the Fund or the Underlying Fund.

You are exposed to currency risk.

- The assets and liabilities of the Fund may be denominated in currencies other than the Fund’s base currency and the Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency of the Fund and such other currencies. There is the prospect of additional loss (or the prospect of additional gain) to you greater than the usual risks of investment.

You are exposed to financial derivatives risk.

- **The Fund and the Underlying Fund may use financial derivatives.** The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The Fund’s or Underlying Fund’s ability to use such instruments successfully depends on the Manager’s or Investment 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 or

Investment Manager's predictions are wrong, or if the financial derivatives do not work as anticipated, the Fund or Underlying Fund could suffer greater losses than if the Fund or Underlying Fund had not used the financial derivatives.

You are exposed to equity risk.

- The Underlying 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 fixed income securities. The Underlying Fund may also invest in convertible instruments which may be converted into equity. A convertible instrument tends to yield a fairly stable return before conversion but its price usually has a greater volatility than that of the underlying equity.

You are exposed to leverage risk.

- The Underlying Fund uses financial derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging markets and frontier risk.

- Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to operational risk.

- In respect of the Underlying Fund, failures at service providers could lead to disruptions of fund operations or losses.

You are exposed to counterparty risk.

- The counterparty to a financial derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Underlying Fund, potentially creating a partial or total loss for the Underlying Fund.

You are exposed to risks associated with investing through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

- The Underlying 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).

You are exposed to risks relating to China A-shares and China B-shares.

- The mainland China markets on which China A-shares and China B-shares are traded have in the past experienced significant price volatility and there can be no assurance that such volatility will not occur in the future. These markets may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention) than markets in more developed countries. Market volatility and potential lack of liquidity (for example, low liquidity in respect of China B-shares due to low trading volume) may result in prices of securities traded on the mainland China markets to fluctuate significantly. As a result, the NAV of the Fund may be adversely affected.

FEEES 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:

Initial Sales Charge	– Cash Units and SRS Units: Up to 5% of the gross investment sum (maximum 5%)
Realisation Charge	– Currently nil (maximum 4%)
Switching Fee	– Currently 1% (maximum of 1% and minimum of S\$5 (or such amount as may from time to time be determined by the Manager))

Refer to the “Fees and Charges” section of the Prospectus for further information on fees and charges.

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:

Management Fee (per annum)	– Currently 0% (maximum 1.75%)
Trustee Fee (per annum)	– Currently not more than 0.05% per annum (currently not subject to any minimum amount) – Maximum 0.25% per annum

Fees payable at Underlying Fund level

Management Fee of the Underlying Fund (per annum)	– 1.50%
(a) Retained by Manager	– (a) 35% to 100% of Management Fee
(b) Paid by Manager to financial adviser (trailer fee)	– (b) 0% to 65% ² of Management Fee
Custody Fee of the Underlying Fund (per annum)	– Up to 0.30%
Administration Fee of the Underlying Fund (per annum)	– Up to 0.25%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

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

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 the minimum realisation amount for the Fund and the payment of any applicable Realisation Charge. The Realisation Request must specify the Units of the Fund to be realised.

The realisation proceeds are paid to you within seven (7) Business Days (or such other period as may be prescribed by the Monetary Authority of Singapore) following the receipt of the Realisation Request.

Your realisation 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 realisation proceeds that you will receive will be the realisation price per Unit multiplied by the number of Units realised, less any applicable Duties and Charges. An example is as follows:

$$\begin{array}{rclcl}
 1,000 \text{ Units} & \times & \text{S\$}1.100 & = & \text{S\$}1,100.00 \\
 \text{Number of Units realised} & & \text{Notional realisation price (NAV per Unit)} & & \text{Gross sale proceeds}
 \end{array}$$

This example is on the assumption that there is no Realisation Charge or Duties and Charges imposed presently.

If applicable to you as provided in 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 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 DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd

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Website: www.schroders.com.sg

Distributor

The Manager

² Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager.

APPENDIX: GLOSSARY OF TERMS

“Business Day” means any day (other than a Saturday, a Sunday or a public gazetted holiday) on which commercial banks in Singapore are open for business (or such other day as may from time to time be determined by the Manager with the approval of the Trustee).

“Dealing Day” means such day or days as the Manager may from time to time with the approval of the Trustee determine, but so that:

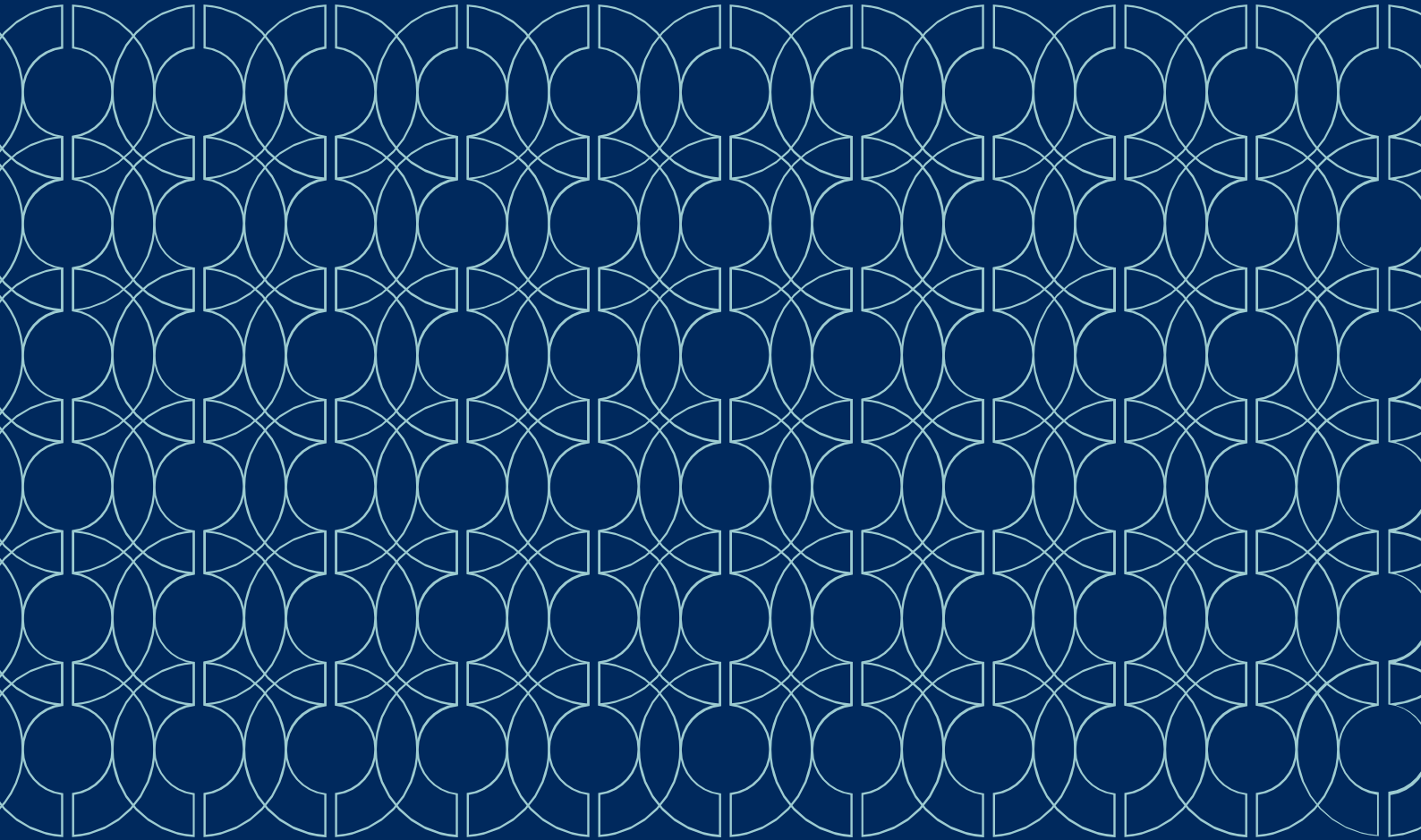
- (i) unless and until the Manager (with the approval of the Trustee) otherwise determines, each Business Day shall be a Dealing Day; and
- (ii) without prejudice to the generality of the foregoing, if on any day which would otherwise be a Dealing Day (a) the recognised stock exchange or exchanges on which the authorised investment or other property comprised in, and having in aggregate values amounting to at least 50% of the value (as of the immediately preceding Valuation Point (as defined in the trust deed of the Fund, as amended)) of the Fund are quoted, listed or dealt in is or are not open for normal trading, or (b) on any day where the Underlying Fund is not normally traded, the Manager may determine that such day shall not be a Dealing Day in relation to Units of the Fund.

“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 or the increase or decrease of the deposited property 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.

“NAV” means net asset value.

“SRS” means the Supplementary Retirement Scheme.

“Unit” means one (1) undivided share in the Fund.



Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01 CapitaGreen, Singapore 048946,
or call our Customer Help Line at 1800 534 4288