

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Hong Kong) Limited being the manager of the Funds accepts full responsibility for the accuracy of the information contained in this letter and confirms, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.

The Funds have not been authorized by the Securities and Futures Commission in Hong Kong and the contents of the Explanatory Memorandum have not been reviewed by any regulatory authority in Hong Kong.

Unless otherwise stated herein, capitalised terms in this letter shall have the same meaning(s) as defined in the explanatory memorandum (the “**Explanatory Memorandum**”) of each Fund.

14 May 2024

Dear Unitholder

Schroder Umbrella Fund

- **Schroder China Equity Fund**

Schroder Umbrella Fund II

- **Schroder RMB Fixed Income Fund**
- **Schroder Target Return Fund**

(each a “**Fund**”, collectively, the “**Funds**”)

We are writing to inform you of certain changes relating to the Funds, which are summarised below.

A. Reduction of Trustee fees

With effect from 29 September 2023, the fees payable to the Trustee of the Funds have been reduced as follows:

Funds	Prior to 29 September 2023 (% of the Fund's net asset value)	With effect from 29 September 2023 (% of the Fund's net asset value)
Schroder China Equity Fund	0.07% p.a.	0.0595% p.a.
Schroder RMB Fixed Income Fund	0.07% p.a.	0.0595% p.a.

Schroder Target Return Fund	0.07% p.a.	0.0595% p.a.
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B. Change of auditors

KPMG has replaced PricewaterhouseCoopers as the auditors of the Funds effective from their respective financial year end of 2023.

C. Other changes to the Funds

1. Schroder RMB Fixed Income Fund and Schroder Target Return Fund – Dilution adjustment

In respect of the Schroder RMB Fixed Income Fund and Schroder Target Return Fund, the Manager may apply “dilution adjustment” as part of its daily valuation policy in order to counter dilution and to protect unitholders’ interest. This means that in certain circumstances the Manager (if in its opinion in good faith it is in the interest of unitholders to do so) will make adjustments in the calculations of the net asset value per Unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant. Previously, the amount of the dilution adjustment can vary over time but will not exceed 2% of the net asset value per Unit of the relevant Fund on the relevant Valuation Day and no notice is required to be given to unitholders for such dilution adjustment.

To enhance the flexibility for dilution adjustment, during circumstances which the Manager 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)), the Manager may, in consultation with the Trustee, temporarily increase the dilution adjustment beyond 2% of the net asset value per Unit of the Fund. Any such increase shall be notified to the unitholders in such manner as the Manager and Trustee may agree.

This change has taken effect from 26 April 2023 and the Trust Deed of Schroder Umbrella Fund II has been amended to give effect to this change.

2. Subscription and redemption procedures

Please note that instructions for subscription and redemption of Units in the Funds can also be submitted by post or by facsimile to the Service Provider of the Funds, The Hongkong and Shanghai Banking Corporation Limited. The Manager will continue to receive applications for subscription and redemption of Units in the Funds by post, but applications by facsimile should be made to the Service Provider only.

3. Schroder Umbrella Fund II – Other miscellaneous updates to the Trust Deed

The Trust Deed of Schroder Umbrella Fund II has also been amended to more clearly set out the Manager’s authority to enter into derivative transactions on behalf of the Funds.

D. Implications on Unitholders

Save as described above, all other key features of the Funds, including fee levels, fee structures and risk profiles, remain unchanged, and there is no change in the operation of the Funds and/or manner in which the Funds are being managed. The changes described above will not result in any material prejudice or other effects on the rights or interests of unitholders of the Funds.

Unitholders are not required to take any action in respect of the changes set out in this letter.

E. Availability of documents

The Explanatory Memorandum of each Fund and the Trust Deed of Schroder Umbrella Fund II have been / will be (as the case may be) amended to reflect the changes set out above and other consequential, miscellaneous or administrative updates.

Copies of the latest version of the Explanatory Memorandum of each Fund are available upon request from the Manager's office (Level 33, Two Pacific Place, 88 Queensway, Hong Kong) free of charge.

For Schroder RMB Fixed Income Fund and Schroder Target Return Fund, a copy of the Trust Deed of Schroder Umbrella Fund II (as amended) may be obtained from the Manager at a cost of HK\$300 each and may be inspected during normal working hours at the offices of the Manager and the Trustee free of charge.

F. Enquiry

If you would like more information, please contact your usual professional advisor or Schroders Investor Hotline on (+852) 2869 6968.

Schroder Investment Management (Hong Kong) Limited