

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

Unless otherwise stated herein, capitalised terms in this letter shall have the same meaning(s) as defined in the Explanatory Memorandum of the Schroder China Asset Income Fund dated December 2016, as amended and supplemented from time to time (the “**Explanatory Memorandum**”).

17 February 2017

Dear Unitholders

SCHRODER UMBRELLA FUND II (the “Fund”) - SCHRODER CHINA ASSET INCOME FUND (the “Sub-Fund”)

We are writing to inform you of the following changes to the Fund and the Sub-Fund:

Amendments to the Trust Deed

The Trust Deed has been amended and superseded by way of an amended and restated Trust Deed (“**Amended and Restated Trust Deed**”). A summary of the key amendments made to the Trust Deed by way of the Amended and Restated Trust Deed is as follows:

1. incorporation of previous supplemental deeds to the Trust Deed;
2. updates to the definition of “Associate” in sub-clause 1.1 and amendments to sub-clause 1.4 regarding references to the new Companies Ordinance;
3. insertion of a new definition “Ineligible Investor” in sub-clause 1.1 and amendments to sub-clause 10.9 to clarify that being an “Ineligible Investor”, i.e. US person is an example of a ground for compulsory redemption;
4. insertion of a new definition “Principal Deed” in sub-clause 1.1 and amendments to sub-clause 2.3 to set out information updates relating to the history of the Fund; and
5. insertion of a new definition “US” or “U.S.” in sub-clause 1.1.

The amendments described above are in summary form only and are not meant to be an exhaustive list of the amendments made to the Trust Deed. Investors should note that there are other ancillary amendments to the Trust Deed as amended and as such, should review the Amended and Restated Trust Deed for further details on the amendments made. The Amended and Restated Trust Deed may be inspected free of charge during normal working hours at the offices of the Manager at Level 33, Two Pacific Place, 88 Queensway, Hong Kong.

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

Yours faithfully,

For and on behalf of

Schroder Investment Management (Hong Kong) Limited



Chris Durack

Chief Executive Officer, Hong Kong