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IMPORTANT: This letter is important and 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 being the manager of the following 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.

12 December 2018

Dear Unitholder

Schroder Hong Kong Money Market Fund and Schroder US Dollar Money Fund (each a “**Schroder Unit Trust**” and together “**Schroder Unit Trusts**”)

We are writing to inform you of a number of changes to the Schroder Unit Trusts, which will take immediate effect and are summarised below.

Unless otherwise specified, capitalized terms herein shall have the same meaning as those defined in the explanatory memorandum (“**Explanatory Memorandum**”) of each Schroder Unit Trust.

(A) Enhancement of disclosures in the Explanatory Memorandum

a. Investment policy

For the purpose of clarifying investment policies to reflect current best practice in the market, and also for the purpose of enhancement to align with the disclosure requirements of the Hong Kong Securities and Futures Commission (the “**SFC**”)’s Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds (“**Guide**”), the disclosures on the investment policy of each of the Schroder Unit Trusts will be enhanced. Notwithstanding such enhancement of disclosures, there will be no change to the way each of the Schroder Unit Trusts is managed in practice, nor any change to their risk profile, fee level or fee structure.

b. Risk factors

The section headed “**RISK FACTORS**” in the Explanatory Memorandum has been revised for the purpose of enhancement to align with the disclosure requirements of the Guide.

c. Valuation and price calculation

In accordance with the Guide, the following amendments in relation to valuation and price calculation are made:

The Manager may, with the prior consent in writing of the Trustee, permit some other method(s) of valuation to be used if it considers that the use of such other method(s) is required to reflect the fair value of a Schroder Unit Trust's assets including where it considers that the existing valuation methods appear impossible or inappropriate due to extraordinary circumstances or events. In addition, the Manager may, with the prior consent in writing of the Trustee, adjust the value of any investment of the Schroder Unit Trust if it considers that such adjustment is required to reflect the fair value thereof and may in making such adjustment have regard to currency, applicable rate of interest, maturity, marketability and other relevant considerations.

For further details, please refer to the section headed "VALUATION AND PRICE CALCULATION" of the Explanatory Memorandum.

d. Automatic exchange of financial account information

A new sub-section headed "Automatic exchange of financial account information" has been included under the section headed "TAXATION" of the Explanatory Memorandum, as summarised below.

The Standard for Automatic Exchange of Financial Account Information ("**AEOI**") under the Inland Revenue Ordinance requires financial institutions in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with financial institutions, and to file such information with the Hong Kong Inland Revenue Department ("**IRD**") who in turn will exchange such information with the jurisdiction(s) in which that account holder is resident. Under the AEOI, details of unitholders, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

Each Schroder Unit Trust is required to comply with the requirements of AEOI as implemented by Hong Kong, which means that it and/or its agents shall collect and provide to the IRD tax information relating to unitholders and prospective investors.

By investing in the Schroder Unit Trusts and/or continuing to invest in the Schroder Unit Trusts, unitholders should acknowledge that they may be required to provide additional information to the Schroder Unit Trusts, the Manager and/or the Schroder Unit Trusts' agents in order for the Schroder Unit Trusts to comply with AEOI. The unitholder's information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such unitholders that are not natural persons), may be communicated by the IRD to authorities in

other jurisdictions.

Each unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Schroder Unit Trusts.

e. Liquidity risk management

A new section headed “LIQUIDITY RISK MANAGEMENT” has been included in the Explanatory Memorandum to provide further information about the Manager’s policy on liquidity risk management, as summarised below.

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Schroder Unit Trusts and to ensure that the liquidity profile of the investments of the Schroder Unit Trusts will facilitate compliance with the respective Schroder Unit Trust’s obligation to meet redemption requests.

As part of its liquidity management policy, the Manager would regularly assess the liquidity of a Schroder Unit Trust’s assets under the current and likely future market conditions. The Manager’s liquidity policy takes into account the investment strategy; the liquidity profile; the redemption policy; the dealing frequency; the ability to enforce redemption limitations and the fair valuation policies of the Schroder Unit Trust.

For further details, please refer to section headed “LIQUIDITY RISK MANAGEMENT” in the Explanatory Memorandum.

f. Revised Fund Manager Code of Conduct

The Manager is licensed by the SFC for type 9 (asset management) regulated activity and accordingly is subject to regulation by the SFC, including the SFC’s Fund Manager Code of Conduct (the “Fund Manager Code”). The SFC has revised the Fund Manager Code with effect from 17 November 2018 to include, among others, certain disclosure obligations on companies licensed by the SFC for type 9 regulated activity in relation to funds they manage. The disclosure obligations relate to leverage, securities lending, repurchase and reverse repurchase transactions, custody risk, liquidity risk and liquidity risk management and other risk management policies.

The Explanatory Memorandum of each of the Schroder Unit Trusts has been amended to reflect the disclosure requirements of the revised Fund Manager Code.

g. Administrative changes

For Schroder US Dollar Money Fund, it is clarified that for application for units,

monies can be paid by telegraphic transfer as well as by cheque in accordance with instructions on the application form. For further details, please refer to the section headed "APPLICATION FOR UNITS" of the Explanatory Memorandum.

The Explanatory Memorandum of each of the Schroder Unit Trusts is also updated to reflect other administrative or editorial changes.

(B) Means of publication of prices

Instead of newspaper publication, the Explanatory Memorandum has been amended to the effect that (a) the net asset value per unit of each Schroder Unit Trust on each Valuation Date at which units are issued and redeemed, and (b) notices regarding any suspension of dealings, will be published on the Schroders' Internet site (www.schroders.com.hk) or in such other appropriate manner as the Manager shall determine. The Internet site has not been reviewed by the SFC.

The relevant provisions in the trust deed ("**Trust Deed**") of each Schroder Unit Trust concerning the means of publication of net asset value per unit has been amended accordingly.

The current practice of publishing the net asset value per unit of each Schroder Unit Trust in the newspapers will continue in the South China Morning Post and Hong Kong Economic Times, until 31 December 2018.

(C) Amendments to Trust Deed

The Trust Deed is amended to conform with the specified requirements of the SFC's Code on Unit Trusts and Mutual Funds ("**Code**") and the Guide and to reflect certain miscellaneous changes. A summary of the related amendments is set out at Annex 1 to this Letter.

The Explanatory Memorandum and the Product Key Fact Statement of each of the Schroder Unit Trusts has been revised to reflect the relevant changes set out above. Copies of the amended Explanatory Memoranda and Product Key Fact Statements will be available upon request.

Copies of the Trust Deeds, as amended, may be obtained at a reasonable cost, and may be inspected free of charge during normal working hours at the offices of the Manager and the Trustee.

If you 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

A handwritten signature in blue ink, appearing to read 'C Durack', is written over a light blue rectangular background.

Chris Durack
Chief Executive Officer, Hong Kong

Annex 1

Summary of amendment to the Trust Deed of Schroder Unit Trusts

1.	Clarificatory amendment that the Manager and the Trustee shall in the performance of their respective duties under the Trust Deed at all times comply with the applicable provisions of the Code, and shall act at all times in compliance with the Code, and the Manager shall fulfil the duties imposed on it by the general law governing the Schroder Unit Trust.
2.	Clarificatory amendment that notwithstanding any other provisions in the Trust Deed, nothing in the Trust Deed may provide that the Trustee or Manager of the Schroder Unit Trust can be exempted from any liability to unitholders imposed under Hong Kong law or breaches of trust, nor may they be indemnified against such liability by unitholder.
3.	Clarificatory amendment regarding the Trustee's liability for the acts and omissions of its nominees and agents in relation to assets forming part of the property of the Schroder Unit Trust.
4.	Clarificatory amendment that notwithstanding any other provisions in the Trust Deed, the Manager may with the prior consent in writing of the Trustee adjust the value of any cash, deposits and/or investments or permit some other method of valuation to be used if such adjustment is required to reflect the fair value.
5.	Clarificatory amendment that section 41O of the Trustee Ordinance shall not apply to the extent that is inconsistent with the relevant clause in the Trust Deed.
6.	Clarificatory amendment that where borrowing is undertaken for the account of the Schroder Unit Trust, such assets may be registered in the lender's name and amendment that the Trustee shall not be liable for losses in respect of assets of the Trust Fund not registered in the name of or not deposited with or not held to the order of the Trustee or its delegate or nominee.
7.	Amendment to permit the publication of Unit prices in such an appropriate manner as the Manager may from time to time determine.

Amendment applicable to the Trust Deed of Schroder US Dollar Money Fund

8.	Clarificatory amendment that matter or dispute which may arise under or in relation to the Trust Deed shall be submitted to the non-exclusive jurisdiction of the courts of Hong Kong.
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