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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.

Unless otherwise stated herein, capitalised terms in this notice shall have the same meaning(s) as defined in the explanatory memoranda of the Funds dated January 2021, as amended (“**Explanatory Memoranda**”).

18 May 2021

Dear Unitholder

Schroder Hong Kong Money Market Fund
Schroder U.S. Dollar Money Fund (together the “**Funds**”)

We are writing to inform you of a correction to the section headed “Liquidity Risk Management” in the Explanatory Memoranda.

A. Background

Due to an inadvertent oversight, wording was included in the Explanatory Memoranda dated November 2018, which provided that the Manager may limit the number of units to be redeemed on any one Valuation Date to 10% of the units in issue (“**Redemption Gate**”) as a tool to manage liquidity risks (the “**Relevant Paragraph**”).

The Relevant Paragraph was not applicable because the trust deeds of the Funds do not provide for a Redemption Gate. We have therefore removed this from the section headed “Liquidity Risk Management” in the Explanatory Memoranda dated January 2021, as indicated below:

“LIQUIDITY RISK MANAGEMENT

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Fund and to ensure that the liquidity profile of the investments of the Fund will facilitate compliance with the Fund’s obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of unitholders and safeguard the interests of remaining unitholders in case of sizeable redemptions.

The liquidity risk management of the Fund is an integral part of investment management process and is operated under Schroders’ investment risk management framework. The oversight of the liquidity risk management function will be performed by the investment risk function which is part of Schroders Group Risk. A liquidity report will be generated by Group Risk monthly. The results of the oversight will be reported to a risk management committee consisting of responsible officers, management and senior staff from Compliance, Investment and Operational and Risk on a regular basis. Exceptions on liquidity risk related issues will be escalated to the risk management committee.

The Manager would regularly assess the liquidity of the Fund’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 Fund. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by the Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed "REDEMPTION OF UNITS", and will facilitate compliance with the Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Fund under normal and exceptional market conditions.

~~To manage liquidity risks, the Manager may limit the number of units to be redeemed on any one Valuation Date to 10% of the units in issue (subject to the conditions set out in the section headed "REDEMPTION OF UNITS")."~~

The Explanatory Memoranda dated January 2021, which is the latest version, is available at our website (www.schroders.com.hk) or upon request. The website has not been reviewed by the SFC.

B. Impact

We do not consider that any unitholders in the Funds have been adversely affected by the inclusion of the Relevant Paragraph, because:

- i. during the period in question, the Manager did not consider applying or apply a Redemption Gate on redemptions, nor was there any Valuation Date on which redemption of units from either of the Funds exceeded 10% of the units in issue for that fund; and
- ii. the Funds have not suffered any financial loss.

This letter is for your information only. You are not required to take any action with respect to this letter. 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



Amy Cho
Chief Executive Officer, Hong Kong