

Issuer: Schroder Investment Management (Europe) S.A.

April 2025

*This statement provides you with key information about this product.  
This statement is a part of the offering document.  
You should not invest in this product based on this statement alone.*

#### Quick facts

**Management company:** Schroder Investment Management (Europe) S.A.

**Investment manager:** Schroder Investment Management Limited, located in the United Kingdom, internal delegation

**Sub-investment manager(s) and sub-delegate(s), if any:** Internal delegation to one or more sub-investment manager(s) (if any) and sub-delegate(s) (if any) as described in the section headed "Sub-Investment Managers and Sub-Delegates" in the Hong Kong Covering Document. The list of the latest sub-investment manager(s) and sub-delegate(s) of the fund will be provided on request and shall be further disclosed in the periodic reports of Schroder International Selection Fund.

**Depository:** J.P. Morgan SE – Luxembourg Branch

<b>Ongoing charges over a year*:</b>	Class A USD Acc	1.58%	Class A USD Dis MF	1.58%
	Class A1 USD Dis MF	2.09%	Class A AUD Hedged Dis MFC	1.60%
	Class A1 USD Acc	2.08%	Class A EUR Hedged Dis QF	1.60%
	Class A HKD Dis MF	1.58%	Class A EUR Acc	1.57%
	Class A EUR Dis QV	1.57%		

**Dealing frequency:** Daily

**Base currency:** USD

**Dividend policy:** A and A1 Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund.

A and A1 Distribution share classes – The board of directors generally has discretion as to whether or not to make any distribution save for the distribution share classes with fixed dividend policy which are subject to the disclosures below. This distribution frequency and attributes are indicated in the share class designation as follows:

M = monthly, Q = quarterly, S = semi-annual, A = annual,

Currency carry#: C

Distributions may be paid out of capital and reduce the fund's net asset value.

In respect of distribution share classes with fixed dividend policy, the distribution amount per share is calculated as follows: dividend rate ÷ distribution frequency over a year × net asset value per share on the record date. Details of the distribution share classes with fixed dividend policy are set out below:

## Schroder International Selection Fund - Emerging Markets Multi-Asset

Fixed Distribution Share Class	Currency	Distribution Frequency over a year	Dividend Rate
Class A USD Dis MF	USD	Monthly (12)	4.50% per annum
Class A1 USD Dis MF	USD	Monthly (12)	4.50% per annum
Class A EUR Hedged Dis QF	EUR	Quarterly (4)	4.50% per annum
Class A HKD Dis MF	HKD	Monthly (12)	4.50% per annum

Investors should note that a positive distribution yield does not imply a positive return. The board of directors will periodically review fixed distribution share classes and reserves the right to make changes.

**Financial year end of this fund:** 31 December

**Minimum investment:** A and A1 share classes: Initial – EUR1,000 or USD1,000 (or equivalent);  
Subsequent investment – EUR1,000 or USD1,000 (or equivalent)

\* The ongoing charges figure is based on the expenses for the year ended 31 December 2024. This figure may vary from year to year.

# This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged share class is higher than the fund's base currency interest rate. Consequently when the interest rate of a currency hedged share class is lower than the fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the fund's investment objective or investment policy.

### What is this product?

This is a sub-fund of Schroder International Selection Fund, a mutual fund domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier.

### Objectives and investment strategy

#### Investment Objective

The fund aims to deliver capital growth and income over a three to five year period<sup>Note</sup> after fees have been deducted by investing in a diversified range of assets in emerging markets worldwide.

<sup>Note</sup> For clarification purpose, the three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the fund's performance.

#### Investment Policy

The fund is actively managed and invests at least two-thirds of its assets directly in equity and equity related securities, fixed income securities and alternative asset classes (as defined below) of emerging markets countries worldwide or companies which derive a significant proportion of their revenues or profits from emerging markets countries worldwide.

The fund may actively allocate its assets in money market investments and currencies especially to mitigate losses in falling markets.

The fund may invest:

- in excess of 50% of its assets in below investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities;

## Schroder International Selection Fund - Emerging Markets Multi-Asset

- in excess of 50% of its assets in emerging market debt (fixed and floating rate) securities;
- up to 20% of its assets in asset backed securities and mortgage-backed securities;
- up to 10% of its assets in alternative asset classes (as defined below) indirectly through exchange traded funds, REITs or open-ended investment funds; and
- up to 10% of its assets in open-ended investment funds.

The fund may invest directly in China B-Shares and China H-Shares and may invest less than 25% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange ("STAR Board") and the ChiNext market of the Shenzhen Stock Exchange ("ChiNext market"). The fund may also invest up to 15% of its assets in mainland China through regulated markets (including the China Interbank Bond Market ("CIBM") via Bond Connect or CIBM Direct) (as further described in the section headed "Overview of China Interbank Bond Market" in the Hong Kong Covering Document). Indirect exposure to China A-Shares may be sought for the Fund through investment in financial instruments such as China market access products and other funds with China access through QFI status. The fund does not currently intend to invest (i) 25% or more of its net asset value in China A-Shares via Stock Connect, the STAR Board and the ChiNext market and (ii) 30% or more of its net asset value directly and indirectly in China A-Shares and B-Shares.

Alternative asset classes refer to real estate and infrastructure.

The fund may hold cash. However, the fund may not hold more than 30% of its assets in cash and cash equivalents.

To achieve the investment objective and to make use of the best risk-return investment opportunities, the fund may invest more than 10% (but no more than 20%) of its net assets in debt securities issued and/or guaranteed by a single unrated or below investment grade sovereign issuer (e.g. Turkey, Croatia and Serbia which are, as at the date of this document, unrated or rated below investment grade) on the basis of, for example, economic fundamentals, country risk, security valuation and other compelling investment performance rationale. Due to market movements, as well as changes in credit or investment ratings, the fund's overall exposure to such assets may change over time. The fund's positioning may change without prior notice to the investors. Investors should note that whilst the above sets out the expected maximum exposure to a single country of this nature, such exposure limit is not indicative of the fund's holdings at any time in relevant countries.

The fund is not subject to any limitation on the portion of its net asset value that may be invested in any country, region or sector. The fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.

The fund maintains a higher overall sustainability score than 50% MSCI Emerging Market Index (USD), 16.7% JPM EMBI Index EM Hard Currency (USD), 16.7% JPM GBI Emerging Market Index - EM Local (USD), 16.7% JPM CEMB Index (USD), based on the investment manager's rating criteria. More details on the investment process used to achieve this can be found in the Fund Characteristics section of the Fund Details, as set out in Appendix III of the Prospectus.

The fund may invest up to 20% of its net asset value in debt instruments issued by financial institutions with loss-absorption features (e.g. contingent convertible bonds, Additional Tier 1, Tier 1 and Tier 2 capital notes, senior non-preferred notes, senior and subordinated bonds issued by holding companies of a financial institution). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The fund may invest up to 10% of its net asset value in insurance-linked securities ("ILS"), such as catastrophe bonds, issued outside Hong Kong and/or any ILS-related products, such as derivatives or structured products whose returns are linked to the performance of any ILS and collective investment schemes whose investment

objective or principal investment strategy is investing in ILS. For the avoidance of doubt, the fund will not invest in ILS issued in Hong Kong and their repackaged products and derivatives.

Under exceptional circumstances (e.g. market crash or major crisis), the fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.

The fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Where the fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the fund may invest according to its investment objective and investment policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the net asset value. In certain circumstances this proportion may be higher. Derivatives may be used to gain exposure to a wide range of asset classes including, but not limited to, currencies, real estate, infrastructure and commodities. Such derivatives include, but are not limited to, over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

#### Benchmark

The fund does not have a target benchmark. The fund's performance and volatility should be compared against 50% MSCI Emerging Market Index (USD), 16.7% JPM EMBI Index EM Hard Currency (USD), 16.7% JPM GBI Emerging Market Index - EM Local (USD), 16.7% JPM CEMB Index (USD). The comparator benchmark is only included for performance and risk comparison purposes and does not determine how the investment manager invests the fund's assets. The comparator benchmark is also used for sustainability score comparison. The fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the fund.

### **Use of derivatives / investment in derivatives**

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

### **What are the key risks?**

**Investment involves risk. Please refer to the offering document for details including the risk factors.**

#### **1. General investment risk**

The fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the fund may suffer losses. There is no guarantee of the repayment of principal.

#### **2. Equity investment risk**

Investment in equity securities is subject to the risk that the market value of the stocks may go down as well as up due to numerous factors such as changes in investment sentiment, political environment, economic environment, issuer-specific factors, regional or global economic instability, currency and interest rate fluctuations. If the market value of the stocks go down the net asset value of the fund may be adversely affected.

### 3. Emerging and less developed markets

- The fund may invest in emerging and less developed markets. Investing in emerging and less developed markets is subject to greater risks than investing in securities of developed countries such as ownership and custody risks, political and economic risks, market and settlement risks, liquidity and volatility risk, legal and regulatory risks, execution and counterparty risk, currency risk, and possible repatriation of investment income and capital, which may adversely affect the net asset value per share of the fund and investors may as a result suffer losses.
- In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

### 4. Risk relating to investment in debt securities

- **Credit and counterparty risk**— Investment in debt securities is subject to the credit/default risk of the issuer which may also adversely affect the settlement of the securities.
- **Interest rate risks**— Investment in the fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- **Below investment grade and unrated debt securities**— Investments in fixed income securities below investment grade or unrated are generally subject to higher degree of counterparty risk, credit risk, volatility risk, liquidity risk and risk of loss of principal and interest than higher rated securities.
- **Credit ratings risk**— Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- **Credit downgrading risk**— The credit rating of debt securities or their issuers may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager may not dispose of such securities immediately and the fund may therefore be subject to additional risk of loss.
- **Liquidity and volatility risk**— Securities not listed or rated or actively traded may have low liquidity and higher volatility. The prices of such securities may be subject to fluctuations. The bid and offer spread of their price may be high and the fund may therefore incur significant trading costs and may even suffer losses when selling such instruments.
- **Valuation risk**— Valuation of the fund's investment may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

### 5. Sovereign debt risk

Investment in sovereign debt obligations issued or guaranteed by governments or their agencies of certain developing countries and certain developed countries may expose the fund to political, social and economic risk. A government entity's willingness or ability to repay principal and interest due in a timely manner may be affected by various factors. In the event that a government entity defaults on its sovereign debt, holders of sovereign debt, including the fund, may be requested to participate in the rescheduling of such debt and to extend further loans to the relevant government entity. The fund may suffer significant losses in such events.

### 6. Below investment grade and non-rated sovereign securities risk

The fund may invest more than 10% (but no more than 20%) of its net assets in debt securities issued and/or guaranteed by government, public or local authority of a single sovereign country that is unrated or rated below investment grade. Investors should note that such securities would generally be considered to have greater market and credit risks than higher rated sovereign securities. The lower ratings of such sovereign securities reflect the greater possibility that adverse changes in the financial

condition of the sovereign issuer, or the bankruptcy of the sovereign issuer, may impair the ability of the sovereign issuer to make payments of principal and/or interest. If the sovereign issuer of a security is in default or such a security performs badly, the fund may potentially suffer substantial loss. Where the fund invests a relatively significant portion of its net assets in countries belonging to same geographical region, the geographical concentration of the fund's investment may also expose the fund to greater volatility and higher risk than investing in a more diversified portfolio. The market for these below investment grade or non-rated sovereign securities may be less active and the level of liquidity is relatively low, making it more difficult to sell the securities and hence adversely affecting the net asset value of the fund.

## **7. Risks relating to real estate investment funds**

- Although the fund will not invest in real property directly, the fund may be subject to risks similar to those associated with the direct ownership of real property (in addition to securities market risks) through its investment in real estate investment funds ("REITs"). The underlying REITs which the fund may invest in may not necessarily be authorized by the SFC and their dividend or pay out policies is not representative of the dividend policy of the fund.
- The prices of REITs are affected by changes in the value of the underlying property owned by the REITs. The prices of mortgage REITs are affected by the quality of any credit they extend, the creditworthiness of the mortgages they hold, as well as by the value of the property that secures the mortgages. Further, REITs are dependent upon management skills and generally may not be diversified. REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgage held by a REITs or lessees of a property that a REITs owns may be unable to meet their obligations to the REITs. In the event of a default by a borrower or lessee, the REITs may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. In addition to the foregoing risks, certain "special purpose" REITs in which the Fund may invest may have their assets in specific real property sectors, such as hotel REITs, nursing home REITs or warehouse REITs, and are therefore subject to the risks associated with adverse developments in these sectors.

## **8. Derivatives**

The fund may use derivatives to meet its specific investment objective. There is no guarantee that the performance of derivatives will result in a positive effect for the fund. Derivative exposure may lead to a high risk of significant capital loss. Risks associated with derivatives include credit risk and counterparty risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risks and hedging risk. The leverage element/component of derivatives can result in a loss significantly greater than the amount invested in the derivatives by the fund. There is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result. In adverse situations, the use of hedging instruments may become ineffective in hedging and the fund may suffer significant losses.

## **9. Concentrated geographical locations**

The fund investing in concentrated geographical locations may be subject to a higher level of risks comparing to a fund investing in a more diversified portfolio/strategy. The value of the fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant geographical locations.

## **10. Smaller companies risk**

Fund invests in smaller companies may fluctuate in value more than other funds and may be more vulnerable to adverse developments than those in larger companies. During periods where markets are falling, securities of smaller companies may become less liquid and experience short-term price volatility and wide spreads between dealing prices.

## 11. Risks relating to distributions

- For distribution share classes with a general dividend policy, expenses will be paid out of capital rather than out of gross income. The amount of distributable income therefore increases and the amount so increased may be considered to be dividend paid out of capital; capital growth will be reduced and in periods of low growth capital erosion may occur.
- Distribution share classes with a fixed dividend policy will distribute the dividends based on a fixed amount or fixed percentage of the net asset value per share. This may result in share classes with fixed distributions either paying out both income and capital in distribution payments, or not substantially distributing all the investment income which a share class has earned.
- Investments in distribution share classes with fixed dividend policy are not an alternative to a savings account or fixed-interest paying investment. The percentage of distributions paid by distribution share classes with fixed dividend policy is unrelated to expected or past income or returns of these share classes or the fund. The distribution can thus be higher or lower than the income and return that were effectively realised.
- Distribution share classes with fixed dividend policy will continue to distribute in periods that the fund has negative returns or is making losses, which further reduces the net asset value of the distribution share classes with fixed dividend policy. In extreme circumstances, investors may not be able to get back the original investment amount.
- Investors should note that a positive distribution yield does not imply a positive return. Distribution share classes with a fixed dividend policy do not distribute a fixed amount and the constant percentage of distribution results in higher absolute distributions when the net asset value of the relevant distribution share classes with fixed dividend policy is high, and lower absolute distributions when the net asset value of the relevant distribution share classes with fixed dividend policy is low.
- **You should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the net asset value per share.**
- The distribution amount and net asset value of the currency hedged share class may be adversely affected by differences in the interest rates of the reference currency of the currency hedged share classes and the fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-currency hedged share classes.

## 12. Risks relating to hedging and the hedged classes

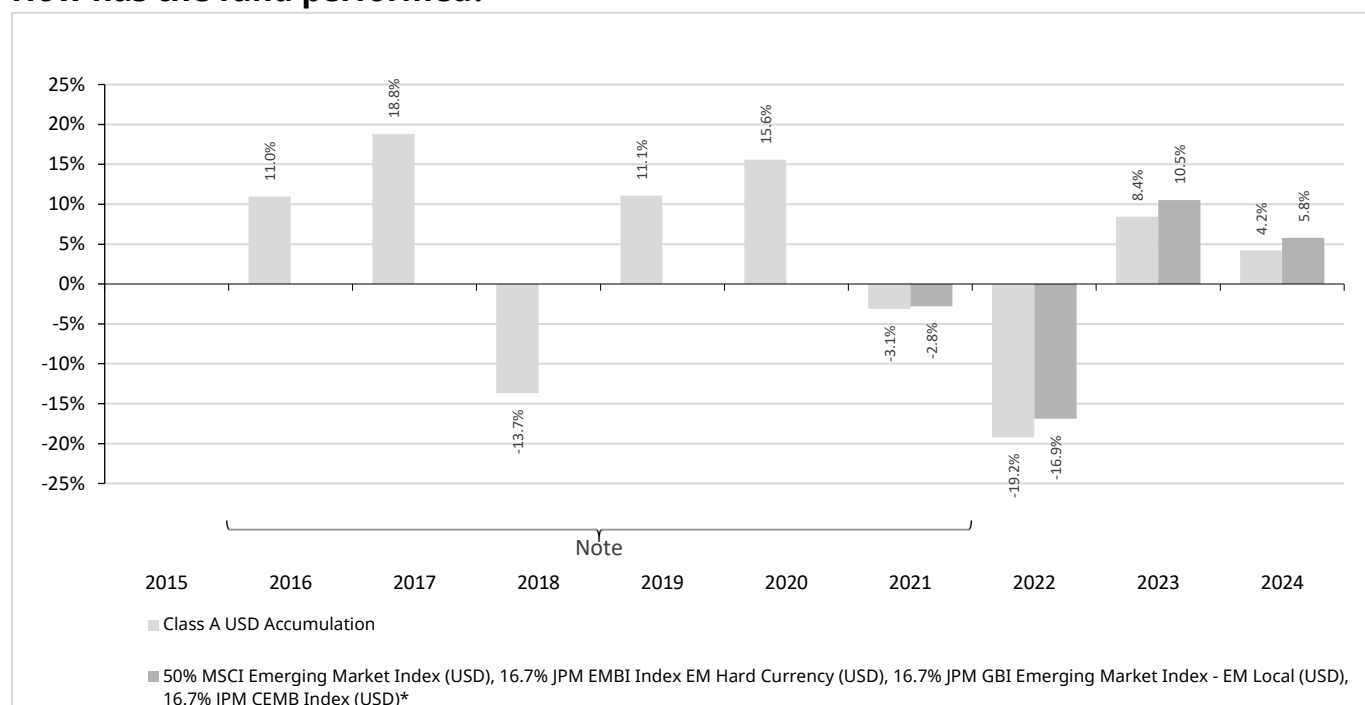
- In respect of the share classes which the management company of the fund has the ability to fully hedge the shares of such share classes in relation to the fund currency, currency exposures or currency hedging transactions within the fund's portfolio will not be considered. The aim of a currency hedged share class is to provide you with the performance returns of the fund's investments by reducing the effects of exchange rate fluctuations between the fund currency and reference currency. However there is no assurance that the hedging strategies employed will be effective in fully eliminating the currency exposure to the reference currency thereby delivering performance differentials that are reflective only of interest rate differences adjusted for fees.
- Where undertaken, the effects of this hedging will be reflected in the net asset value and, therefore, in the performance of such share class. Similarly, any expenses arising from such hedging transactions will be borne by the share class in relation to which the expenses have been incurred.
- It should be noted, where relevant, that these hedging transactions may be entered into whether the reference currency is declining or increasing in value relative to the relevant fund currency and so, where such hedging is undertaken it may substantially protect investors in the relevant share class against a decrease in the value of the fund currency relative to the reference currency, but it may also preclude investors from benefiting from an increase in the value of the fund currency.

**13. Currency risks**

Assets and share classes may be denominated in currencies other than USD and some may not be freely convertible. The fund may be adversely affected by changes in foreign exchange rates and exchange rate controls of the currencies in which securities are held, the reference currencies of the share classes and the US Dollar. This exposes all share classes of the fund to exchange rate fluctuations and currency risk. It may not be practicable or possible to hedge against such foreign exchange/currency risk exposure.



## How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the fund's Class A USD Accumulation increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Comparator benchmark: 50% MSCI Emerging Market Index (USD), 16.7% JPM EMBI Index EM Hard Currency (USD), 16.7% JPM GBI Emerging Market Index - EM Local (USD), 16.7% JPM CEMB Index (USD)\*
- Fund launch date: 2015
- Class A USD Accumulation launch date: 2015
- The management company views the Class A USD Accumulation, being the retail share class denominated in the base currency of the fund, as the most appropriate representative share class of the fund.

Note: The performance of these years was achieved under circumstances that no longer apply. During 2016 to 2021, there were material changes to the fund, namely, changes of investment objective and policy, change of investment delegates and reduction of fee(s).

\* With effect from 29 October 2021, a new comparator benchmark: 50% MSCI Emerging Market Index (USD), 16.7% JPM EMBI Index EM Hard Currency (USD), 16.7% JPM GBI Emerging Market Index - EM Local (USD), 16.7% JPM CEMB Index (USD), has been added for the purpose of better performance comparison.

## Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invest.

**What are the fees and charges?****Charges which may be payable by you**

You may have to pay the following fees when dealing in the shares of the fund.

<b>Fee</b>	<b>What you pay</b>	
<b>Share class</b>	A	A1
<b>Subscription fee (Initial charge)</b>	Up to 5.00% of the total subscription amount	Up to 4.00% of the total subscription amount
<b>Switching fee (Switching charge)</b>	Up to 1.00% of the value of the shares to be switched	
<b>Redemption fee (Redemption charge)</b>	Nil	

**Ongoing fees payable by the fund**

The following expenses will be paid out of the fund. They affect you because they reduce the return you get on your investments.

	<b>Annual rate (as a % of the net asset value of the fund)</b>	
<b>Share class *</b>	A	A1
<b>Management fee (Annual Management Charge)</b>	1.25%	
<b>Depositary fee</b>	Up to 0.005%	
<b>Performance fee</b>	Nil	
<b>Administration fee</b>	Up to 0.25%	
<b>Distribution charge (Annual Distribution Charge)</b>	Nil	0.50%
<b>Custody safekeeping fee</b>	Up to 0.3%	
<b>Transaction fees (charged by the Depositary)</b>	Up to USD75 per transaction	
<b>Fund accounting and valuation fees</b>	Up to 0.0083%	

\* Where currency hedged share class is offered, a hedging charge of up to 0.03% per annum of the net asset value per share will be borne by the currency hedged share class in relation to which the charge is incurred. The hedging charge will be payable to the management company, which provides the currency hedging service.

**Other fees**

You may have to pay other fees when dealing in the shares of the fund. Please refer to the offering document for fees payable by the fund.

### **Additional information**

- You generally buy and redeem shares at the fund's relevant net asset value ("NAV") after Schroder Investment Management (Hong Kong) Limited or the transfer agent's delegate, The Hongkong and Shanghai Banking Corporation Limited, receives your request, directly or via a distributor, in good order at or before 5pm HK time, being the fund's dealing cut-off time on each dealing day of the fund. Before placing your subscription or redemption orders, please check with your distributor for (i) the distributor's internal dealing cut-off time (which may be earlier than the fund's dealing cut-off time); and (ii) the distributor's services on days when there are severe weather conditions in Hong Kong.
- A dividend calendar including details on the distribution frequency and the dividend calculation basis for all available distribution share classes and a composition of the dividend payments (i.e. the percentages of distribution being paid out of capital and net distributable income) for the last twelve months for each of these distribution share classes (i) with a variable distribution policy or (ii) with a fixed dividend policy and paying dividends out of capital are also available from the Schroder Investment Management (Hong Kong) Limited on request and from the Schroders' Internet site ([www.schroders.com.hk](http://www.schroders.com.hk)). This website has not been reviewed by the SFC.
- Past performance information of other share classes offered to Hong Kong investors is available online at [www.schroders.com.hk](http://www.schroders.com.hk). This website has not been reviewed by the SFC.
- The net asset value of this fund is calculated and the price of shares is published on each dealing day. They are available online at [www.schroders.com.hk](http://www.schroders.com.hk). This website has not been reviewed by the SFC.

### **Important**

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.