YFLife
萬通保險

This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice. YF Life Insurance International Ltd. (the "Company") accepts responsibility for the accuracy of the contents of this notice.

The following change(s) in investment choice(s) relate(s) to the "Global Series" and "Premier-Choice Series" plans. The "Global Series" includes Global InvestPlan and Global InvestPlus. The "Premier-Choice Series" includes Premier-Choice ULife InvestPlan, Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice PLUS InvestPlan. (Collectively, the "Schemes")

Merger of Investment Choices

- *Merger of Schroder International Selection Fund - Asia Pacific Cities Real Estate "A1" Shares (SCAPU)(the "Merging Investment Choice") into*
  Schroder International Selection Fund - Global Cities Real Estate "A1" Shares (SCGPU)(the "Receiving Investment Choice")

As advised by the director of the management company of Schroder International Selection Fund, Schroder International Selection Fund — Asia Pacific Cities Real Estate (the "Merging Underlying Fund"), the underlying fund of the Merging Investment Choice, will merge with Schroder International Selection Fund — Global Cities Real Estate (the "Receiving Underlying Fund"), the underlying fund of the Receiving Investment Choice, with effect from 16 April 2020 (the "Effective Date").

In alignment with the merger of the underlying funds and based on the right of merger of investment choices granted to us under the section of "Closure of Investment Choice" or "Fund Closure" as set out in the respective policy provisions, we will merge the Merging Investment Choice into the Receiving Investment Choice available under the Schemes on the Effective Date (the "Merger"). Please refer to the appendix for the details of the Merging Investment Choice and Receiving Investment Choice.

Upon review, the board of directors (the "Board") of Schroder International Selection Fund concluded that, given the relative size of the Merging Underlying Fund and the similarity in investment approach between the Merging Underlying Fund and Receiving Underlying Fund, investors in the Merging Underlying Fund will benefit from a merger with the Receiving Underlying Fund. The Merging Underlying Fund has approximately USD 20 million under management as of 7 February 2020 while the Receiving Underlying Fund has approximately USD 380 million under management as of the same date. Investors in the Merging Underlying Fund will be merged into a fund which, the Board believes, will give investors access to a similar investment strategy with a similar risk profile.

Where assets under management are low it can become difficult to implement the investment policy in a cost effective manner and costs to clients can increase. On this basis a merger into the Receiving Underlying Fund offers investors an alternative fund with appropriate scale and a broadly similar investment approach; both underlying funds focus on urbanisation and utilise the same investment process and proprietary real estate databases. The investment exposure of both the Merging Underlying Fund and the Receiving Underlying Fund offers some commonality across companies and regions; ~25% of the Receiving Underlying Fund is invested in the Asia Pacific Region and ~23% of the Receiving Underlying Fund is invested in companies also held in the Merging Underlying Fund.

The Receiving Underlying Fund offers a degree of continuity to investors of the Merging Underlying Fund given the commonality of holdings highlighted above. In addition, the size of the Receiving Underlying Fund is over USD 380 million can offer the potential for economies of scale that the Merging Underlying Fund, at the size of approximately USD 20 million cannot.

The investment objectives of both the Merging Underlying Fund and the Receiving Underlying Fund include the provision of income and capital growth by investing in equity and equity related securities of real estate companies (in the Asia Pacific region for the Merging Underlying Fund and globally for the Receiving Underlying Fund). The Merging Underlying Fund has a more concentrated portfolio than the Receiving Underlying Fund and may invest in China A-Shares, China B-Shares and China H-Shares. The Receiving Underlying Fund may invest up to 5% of its net asset value in China A-Shares but the Receiving Underlying Fund currently does not have any exposures to China.

The risk and return profile of the Receiving Underlying Fund and the Merging Underlying Fund is the same. The Receiving Underlying Fund and the Merging Underlying Fund exhibit similar levels of volatility (i.e. price fluctuations) and it is expected similar total return over a rolling 5 year period for both the Receiving Underlying Fund and Merging Underlying Fund.

A key features comparison table of the Merging Underlying Fund and the Receiving Underlying Fund can be found in the appendix.

The Merging Underlying Fund has no unamortised preliminary expenses and outstanding set-up costs. The expenses incurred in the merger, including the legal, advisory and administrative costs, will be borne by the management company.

Consequential to the Merger, the Company decided that the following arrangements will apply to the Merging Investment Choice:

a) ***<u>Closure of New Subscription/ New Premium Allocation/ Switch-in</u>***

With effect from the date of this notice, the Merging Investment Choice is closed for any new subscription/ new instruction for regular premium allocation/ switch-in. However, this restriction does not apply to the subscription made under existing regular premium allocation instruction.

b) ***<u>Change of Existing Regular Premium Allocation</u>***

If you have existing regular premium allocation to the Merging Investment Choice, you may redirect to other investment choice(s) available under the Schemes free of charge by submitting a change instruction to us by 5:30p.m. (or 7:00p.m. through the online system) on 8 April 2020 (the "Redirection Deadline"). However, if we do not receive your change instruction by the Redirection Deadline, your existing regular premium allocation to the Merging Investment Choice will be **automatically** changed to the Receiving Investment Choice by 11:59p.m. on 8 April 2020 free of charge.

c) ***<u>Switching of Existing Notional Units of Merging Investment Choice</u>***

If you have any existing notional unit holdings of the Merging Investment Choice, you may switch the holdings to other investment choice(s) available under the Schemes free of charge by submitting a switching request to us by 5:30p.m. (or 7:00p.m. through the online system) on 8 April 2020 (the "Switching Deadline"). However, if we do not receive your switching request by the Switching Deadline, your notional unit holdings of the Merging Investment Choice will be **automatically** exchanged for the notional units of the Receiving Investment Choice by an exchange ratio free of charge on the Effective Date. The exchange ratio will be calculated by dividing the net asset value per share of the Merging Underlying Fund calculated on the Effective Date by the net asset value per share in the Receiving Underlying Fund calculated at the same time on the Effective Date.

d) ***<u>Dealing Arrangement</u>***

Redemption and switching from Merging Investment Choice will cease after 8 April 2020. Holders of notional units of the Merging Investment Choice may deal in their newly issued notional units of the Receiving Investment Choice from the dealing day on 17 April 2020.

You can make the request for change of existing regular premium allocation and switching of existing notional units of the Merging Investment Choice by using the "Request for Change of Policy Value/Account Value Arrangement Form (A15)". If you have registered for the e-Policy Service account, you can also submit such request through the online system (www.yflife.com).

Please note that all the relevant costs for the Merger will be borne by the Company.

Investment involves risk. For details of the Schemes and the investment choices available under the Schemes (including risk factors and charges), please refer to the offering documents of the Schemes and the offering documents of the underlying funds. For any enquiries, please contact YF Life Insurance International Ltd. - Customer Service Hotline at (852) 2533 5555 (Hong Kong)/ (853) 2832 2622 (Macau).

You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s), which are made available by YF Life Insurance International Ltd. upon request, or visit our website (www.yflife.com) to carefully read the details of the relevant documents in relation to the above change(s).

Appendix - Comparison of Key Features of the Merging Investment Choice, Receiving Investment Choice, Merging Underlying Fund and Receiving Underlying Fund

	Merging Investment Choice	**Receiving Investment Choice**
Name	Schroder International Selection Fund - Asia Pacific Cities Real Estate "A1" Shares	Schroder International Selection Fund - Global Cities Real Estate "A1" Shares
Currency	USD	
	Merging Underlying Fund	**Receiving Underlying Fund**
Name	Schroder International Selection Fund – Asia Pacific Cities Real Estate	Schroder International Selection Fund – Global Cities Real Estate
Management Company	Schroder Investment Management (Europe) S.A.	
Share class	A1 Accumulation	
Currency	USD	
Investment objective and policies	<u>Investment Objective</u> The underlying fund aims to provide income and capital growth by investing in equity and equity related securities of real estate companies in Asia Pacific. <u>Investment Policy</u> The underlying fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of real estate companies in Asia Pacific with a focus on companies that invest in cities that the manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes. The underlying fund typically holds fewer than 50 companies. The underlying fund may invest directly in China B-Shares and China H-Shares and may invest less than 30% of its assets in China A-Shares through Stock Connect (as defined below). The underlying fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies. The underlying fund is not subject to any limitation on the portion of its net asset value that may be invested in any country in Asia Pacific (including emerging market countries). The underlying fund is not subject to any limitation on the market capitalisation of the companies that it may invest in. The underlying fund may invest in money market instruments and hold cash. Under exceptional circumstances (e.g. market crash or major crisis), the underlying 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 underlying fund may invest directly in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively "Stock Connect") (as further described in the section headed "Stock Connect" in the Hong Kong Covering Document). Indirect exposure to China A-Shares may also be sought for the underlying fund through investment in financial instruments such as China market access products and other funds with China access through quota held by Qualified Foreign Institutional Investors or Renminbi Qualified Foreign	<u>Investment Objective</u> The underlying fund aims to provide income and capital growth by investing in equity and equity related securities of real estate companies worldwide. <u>Investment Policy</u> The underlying fund invests at least two-thirds of its assets in equity and equity related securities of real estate companies worldwide with a focus on companies that invest in cities that the manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes. The underlying fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies. The underlying fund is not subject to any limitation on the portion of its net asset value that may be invested in any country (including emerging market countries) or region. The underlying fund is not subject to any limitation on the market capitalisation of the companies that it may invest in. The underlying fund may invest in money market instruments and hold cash. Under exceptional circumstances (e.g. market crash or major crisis), the underlying 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.

	Institutional Investors. The underlying fund does not currently intend to invest 30% or more of the net asset value of the underlying fund directly and indirectly in China A-Shares and China B-Shares.	
Key risks	1. Equity investment risk 2. Property and real estate companies securities risk 3. Concentrated sector 4. Risk related to investment in the People's Republic of China 5. Risks related to investments via Stock Connect 6. Risks related to investments in China market access products 7. Risk related to investments in other funds with China access 8. Financial derivatives instruments ("FDI") 9. Concentration risk 10. Emerging and less developed markets 11. Smaller companies risk 12. Risk relating to distributions 13. Currency risks	1. Equity investment risk 2. Property and real estate companies securities risk 3. Concentrated sector 4. Financial derivatives instruments ("FDI") 5. Concentrated geographical locations 6. Emerging and less developed markets 7. Smaller companies risk 8. Risk relating to distributions 9. Risks relating to hedging and the hedged classes 10. Currency risks
Management fee	1.50% per annum	
Ongoing charges figures as of 30 June 2019	2.42% per annum	2.35% per annum

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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 (Europe) S.A., as the Management Company to Schroder International Selection Fund, 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 its knowledge and belief there are no other facts the omission of which would make any statement misleading.

9 March 2020

Dear Shareholder,

Schroder International Selection Fund — Asia Pacific Cities Real Estate merger with Schroder International Selection Fund— Global Cities Real Estate

We are writing to advise you that on 16 April 2020 (the "Effective Date"), Schroder International Selection Fund — Asia Pacific Cities Real Estate (the "Merging Fund") will merge with Schroder International Selection Fund — Global Cities Real Estate (the "Receiving Fund") (the "Merger"). Shareholders in the Merging Fund will receive the equivalent value of shares in the Receiving Fund in place of their current shares in the Merging Fund.

The Merging Fund is no longer allowed to be marketed to the public in Hong Kong, and subscriptions and switches from new investors into the Merging Fund will not be accepted with effect from the date of this notice.

Background and rationale

Upon review, the board of directors (the "Board") of Schroder International Selection Fund (the "Company") concluded that, given the relative size of the Merging Fund and the similarity in investment approach between the Merging Fund and Receiving Fund, shareholders in the Merging Fund will benefit from a merger with the Receiving Fund. The Merging Fund has approximately USD 20 million under management as of 7 February 2020 while the Receiving Fund has approximately USD 380 million under management as of the same date. Shareholders in the Merging Fund will be merged into a sub-fund which, the Board believes, will give shareholders access to a similar investment strategy with a similar risk profile.

Where assets under management are low it can become difficult to implement the investment policy in a cost effective manner and costs to clients can increase. On this basis a merger into the Receiving Fund offers investors an alternative fund with appropriate scale and a broadly similar investment approach; both funds focus on urbanisation and utilise the same investment process and proprietary real estate databases. The investment exposure of both the Merging Fund and the Receiving Fund offers some commonality across companies and regions; ~25% of the Receiving Fund is invested in the Asia Pacific Region and ~23% of the Receiving Fund is invested in companies also held in the Merging Fund.

The Receiving Fund offers a degree of continuity to shareholders of the Merging Fund given the commonality of holdings highlighted above. In addition, the size of the Receiving Fund is over USD 380 million can offer the potential for economies of scale that the Merging Fund, at the size of approximately USD 20 million cannot. The Board has therefore decided, in accordance with Article 5 of the articles of incorporation of the Company (the Articles) and the provisions of the prospectus of the Company (the "Prospectus") and in the best interest of both funds' shareholders, to merge the Merging Fund into the Receiving Fund.

Investment objectives and policies

The investment objectives of both the Merging Fund and the Receiving Fund include the provision of income and capital growth by investing in equity and equity related securities of real estate companies (in the Asia Pacific region for the Merging Fund and globally for the Receiving Fund). The Merging Fund has a more concentrated portfolio than the Receiving Fund and may invest in China A-Shares, China B-Shares and China H-Shares. The Receiving Fund may invest up to 5% of its net asset value in China A-Shares but the Receiving Fund currently does not have any exposures to China.

Share classes and annual investment management fee changes

The table below summarises the annual investment management charges (the AMC) and ongoing charges (the OGC) for the share classes of the Merging Fund and the Receiving Fund.

The risk and return profile of the Receiving Fund and the Merging Fund is the same. The Receiving Fund and the Merging Fund exhibits similar levels of volatility (i.e. price fluctuations) and we expect similar total return over a rolling 5 year period for both the Receiving Fund and Merging Fund.

The base currency of both the Merging Fund and the Receiving Fund is USD. A full summary of which Merging Fund share classes will be merged into which Receiving Fund share classes can be found in the Appendix.

Share class	Merging Fund		Receiving Fund	
	AMC	OGC	AMC	OGC[1]
A	1.50%	1.92%	1.50%	1.85%
A1	1.50%	2.42%	1.50%	2.35%

The ongoing charges figure of the Receiving Fund is not expected to increase as a result of the Merger.

Dealing cut-off time and settlement periods for subscriptions and redemptions

There is no change to the dealing cut-off time or the settlement periods. The dealing cut-off time of the Receiving Fund is 5.00 p.m. Hong Kong time on the dealing day. Orders that reach the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited (the "Representative") before the cut-off time will be executed on the dealing day. The settlement periods for subscription and redemption are within three business days following a dealing day.

A key features comparison table of the Merging Fund and the Receiving Fund (including the share class changes) can be found in the Appendix.

Merger

This Merger notice is required by Luxembourg law.

[1] The ongoing charges figure is based on the annualised expenses for the interim period ended 30 June 2019. This figure may vary from year to year.

As a result of the Merger, there will be no change of legal entities acting as investment manager, which remains Schroder Investment Management Limited.

Costs and expenses of the Merger

The Merging Fund has no unamortised preliminary expenses and outstanding set-up costs. The expenses incurred in the Merger, including the legal, advisory and administrative costs, will be borne by the Management Company.

From 9 April 2020, investments held by the Merging Fund but not the Receiving Fund (the “non-common holdings”), which is estimated to be 42% of the net asset value of the Merging Fund, will be disposed. The proceeds from the disposal of the non-common holdings will be transferred to the Receiving Fund in cash on the Effective Date, and it is expected that the net asset value of the Receiving Fund as of the Effective Date will be adjusted upwards by means of a dilution adjustment to account for the market-related transaction costs of acquiring investments. Investments that are held by both the Merging Fund and the Receiving Fund are retained by the Merging Fund and will be transferred to the Receiving Fund in-specie on the Effective Date. It is not expected that there will be any deviation from the current investment objective and policy of the Merging Fund arising from the disposal of the non-common holdings. The disposal of the non-common holdings is not expected to disadvantage shareholders of the Merging Fund.

In order to account for the market-related transaction costs associated with the disposal of any investments that are not in line with the Receiving Fund's portfolio, or associated with redemption or switch orders received during the period leading up to the Merger, the Merging Fund's net asset value per share will be adjusted down each time there is a net outflow from the Merging Fund by means of a dilution adjustment. In the event that there are net inflows to the Merging Fund during this period the net asset value per share will be adjusted upwards. The intent of the adjustment is to protect existing and continuing investors in the Merging Fund from bearing all such market-related transaction costs and to apportion such costs appropriately. However, it is not expected that such transaction costs will be significant and they will not have a material impact on the shareholders of the Receiving Fund and the Merging Fund. Further information relating to dilution adjustments is available in the Prospectus in section 2.4 "Calculation of Net Asset Value".

Exchange ratio, treatment of accrued income and consequences of the Merger

On the Effective Date, the net assets of the Merging Fund will be transferred to the Receiving Fund. For the shares of each class that they hold in the Merging Fund, shareholders of the Merging Fund will receive an equal amount by value of shares of the corresponding class in the Receiving Fund. The exchange ratio of the Merger will be the result of the ratio between the net asset value of the relevant class of the Merging Fund and the net asset value or initial issue price of the relevant class of the Receiving Fund as of the Effective Date calculated in accordance with the provision of the Prospectus. While the overall value of the shareholders' holdings will remain the same, shareholders may receive a different number of shares in the Receiving Fund than they had previously held in the Merging Fund.

Any accrued income relating to the Merging Fund's shares at the time of the Merger will be included in the calculation of the final net asset value per share of the Merging Fund and will be accounted for after the Merger in the net asset value per share of the Receiving Fund. The Receiving Fund will not bear any additional income, expenses and liabilities attributable to the Merging Fund accruing after the Effective Date.

You will thus become a shareholder of the Receiving Fund, in the share class which corresponds to your current holding in the Merging Fund. A full summary of which Merging Fund share classes will be merged into which Receiving Fund share classes can be found under section “Existing and New Share Class Mapping” in the Appendix.

The first dealing date for your shares in the Receiving Fund will be 17 April 2020, the related deal cut-off for this dealing day being 5.00 p.m. Hong Kong time on the dealing day.

Rights of shareholders to redeem/switch

If you do not wish to hold shares in the Receiving Fund from the Effective Date, you have the right to redeem your holding in the Merging Fund or to switch into another Schroder fund authorized by the Securities and Futures Commission ("SFC")[2] (including any other SFC-authorized sub-funds within the Schroder International Selection Fund or other SFC-authorized funds managed by Schroders) at any time up to and including the dealing day on 9 April 2020.

The Representative will execute your redemption or switch instructions in accordance with the provisions of the Prospectus free of charge, although in some countries local paying agents, correspondent banks or similar agents may charge transaction fees. Local agents may also have a local deal cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach the Representative in Hong Kong before the 5.00 p.m. Hong Kong time deal cut-off on 9 April 2020.

Subscriptions or switches into the Merging Fund from new investors will not be accepted after deal cut-off on 8 March 2020. To allow sufficient time for changes to be made to regular savings plans and similar facilities, subscriptions or switches into the Merging Fund will be accepted from existing investors until 9 April 2020 (deal cut-off at 5.00 p.m. Hong Kong time on 9 April 2020).

Tax status

The conversion of shares at the time of the Merger and / or your redemption or switch of shares prior to the Merger might affect the tax status of your investment. We therefore recommend that you seek independent professional advice in these matters.

Generally, the Merger should not give rise to any Hong Kong tax implications for Hong Kong shareholders. In particular, any capital gain, derived by Hong Kong shareholders as a result of the Merger should not in general be subject to Hong Kong profits tax. If any gain is derived by certain types of shareholders (for instance, dealers in securities, financial institutions and insurance companies carrying on a trade or business in Hong Kong) on the Merger, there is a higher chance that the Inland Revenue Department of Hong Kong would question whether the gain, if any, derived by these shareholders is indeed capital in nature. If the gain is considered to be trading gain rather than capital gain, it would be chargeable to profits tax (which is currently imposed at a rate of 16.5% on corporations and 15% on unincorporated businesses including individuals), if the amount is regarded as arising in or derived from Hong Kong (i.e., Hong Kong sourced profits). There is currently no general turnover, sales or value-added tax in Hong Kong. The Merger should not attract any Hong Kong stamp duty given that the share registers of both the Merging Fund and the Receiving Fund are not maintained in Hong Kong and thus the shares in the Merging Fund and the Receiving Fund should not fall within the definition of Hong Kong stocks. If you are in any doubt about your potential tax liability as a consequence of the Merger, you should recommend that you seek independent professional advice in these matters.

[2] SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Further information

We advise shareholders to read the Receiving Fund's Hong Kong offering documents which are available free of charge at www.schroders.com.hk[3] or upon request from the Representative. Articles of Incorporation and other material contracts and documents of the Schroder International Selection Fund are available for inspection at the Representative's registered office, located at Level 33, Two Pacific Place, 88 Queensway, Hong Kong during normal business hours.

An audit report will be prepared by the approved statutory auditor in relation to the Merger and will be available free of charge upon request from the Representative.

We hope that you will choose to remain invested in the Receiving Fund after the Merger. If you would like more information, please contact your usual professional adviser or Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,

Chris Burkhardt
Authorised Signatory

Nirosha Jayawardana
Authorised Signatory

[3] This website has not been reviewed by the SFC.

Appendix

Key Features Comparison Table

The following is a comparison of the principal features of the Merging Fund and the Receiving Fund. Both are sub-funds of the Company. Full details are set out in the Prospectus and shareholders are also advised to consult the Product Key Facts Statement (the "KFS") of the Receiving Fund.

	Merging Fund **Schroder International Selection Fund — Asia Pacific Cities Real Estate**	**Receiving Fund** **Schroder International Selection Fund — Global Cities Real Estate**
Investment Objective and Policy	**Investment Objective** The fund aims to provide income and capital growth by investing in equity and equity related securities of real estate companies in Asia Pacific. **Investment Policy** The fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of real estate companies in Asia Pacific with a focus on companies that invest in cities that the manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes. The fund typically holds fewer than 50 companies. The fund may invest directly in China B-Shares and China H-Shares and may invest less than 30% of its assets in China A-Shares through Stock Connect (as defined below). The fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies. The fund is not subject to any limitation on the portion of its net asset value that may be invested in any country in Asia Pacific (including emerging market countries). The fund is not subject to any limitation on the market capitalisation of the companies that it	**Investment Objective** The fund aims to provide income and capital growth by investing in equity and equity related securities of real estate companies worldwide. **Investment Policy** The fund invests at least two-thirds of its assets in equity and equity related securities of real estate companies worldwide with a focus on companies that invest in cities that the manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes. The fund is managed with reference to material environmental, social and governance factors. This means issues such as climate change, environmental performance, labour standards or board composition that could impact a company's value may be considered in the assessment of companies. The fund is not subject to any limitation on the portion of its net asset value that may be invested in any country (including emerging market countries) or region. The fund is not subject to any limitation on the market capitalisation of the companies that it may invest in. The fund may invest in money market instruments and hold cash. 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,

	Merging Fund **Schroder International Selection Fund — Asia Pacific Cities Real Estate**	**Receiving Fund** **Schroder International Selection Fund — Global Cities Real Estate**
	may invest in. The fund may invest in money market instruments and hold cash. 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 may invest directly in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively "Stock Connect") (as further described in the section headed "Stock Connect" in the Hong Kong Covering Document). Indirect exposure to China A-Shares may also be sought for the fund through investment in financial instruments such as China market access products and other funds with China access through quota held by Qualified Foreign Institutional Investors or Renminbi Qualified Foreign Institutional Investors. The fund does not currently intend to invest 30% or more of the net asset value of the fund directly and indirectly in China A-Shares and China B-Shares. **Use of derivatives / investment in derivatives** The fund's net derivative exposure may be up to 50% of the fund's net asset value. The fund may use derivatives with the aim of reducing risk or managing the fund more efficiently. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward	certificates of deposit, commercial paper and treasury bills for cash flow management. **Use of derivatives / investment in derivatives** The fund's net derivative exposure may be up to 50% of the fund's net asset value. The fund may use derivatives with the aim of reducing risk or managing the fund more efficiently. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.

	Merging Fund **Schroder International Selection Fund — Asia Pacific Cities Real Estate**	**Receiving Fund** **Schroder International Selection Fund — Global Cities Real Estate**
	contracts and/or a combination of the above.	
Investment Manager	Schroder Investment Management Limited	Schroder Investment Management Limited
KFS risk disclosures	1. Equity investment risk 2. Property and real estate companies securities risk 3. Concentrated sector 4. Risk related to investment in the People's Republic of China 5. Risks related to investments via Stock Connect 6. Risks related to investments in China market access products 7. Risk related to investments in other funds with China access 8. Financial derivatives instruments ("FDI") 9. Concentration risk 10. Emerging and less developed markets 11. Smaller companies risk 12. Risk relating to distributions 13. Currency risks	1. Equity investment risk 2. Property and real estate companies securities risk 3. Concentrated sector 4. Financial derivatives instruments ("FDI") 5. Concentrated geographical locations 6. Emerging and less developed markets 7. Smaller companies risk 8. Risk relating to distributions 9. Risks relating to hedging and the hedged classes 10. Currency risks
Profile of the Typical Investor	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.
Fund Category	Specialist Equity Fund	Specialist Equity Fund
Fund Currency	USD	USD
Launch Date	27 October 2006	31 October 2005
Dividend Policy	A and A1 Accumulation share class – Dividend will not be distributed but will be reinvested into the Fund	A and A1 Accumulation share class – Dividend will not be distributed but will be reinvested into the Fund
Total Fund Size as at 7 February 2020	USD 19.9m	USD 380.2m
Dealing Cut-off Time and Settlement	Orders must reach the Representative before 5.00 p.m. Hong Kong time on	Orders must reach the Representative before 5.00 p.m. Hong Kong time on

	Merging Fund **Schroder International Selection Fund — Asia Pacific Cities Real Estate**	**Receiving Fund** **Schroder International Selection Fund — Global Cities Real Estate**
Periods for Subscriptions and Redemptions	the dealing day to be executed that day. The settlement periods for subscription and redemption are within three business days following a dealing day.	the dealing day to be executed that day. The settlement periods for subscription and redemption are within three business days following a dealing day.
Risk Management Method	Commitment	Commitment
Minimum Investment	A and A1 share classes: Initial – EUR 1,000 or USD 1,000 (or equivalent); Subsequent investment – EUR 1,000 or USD 1,000 (or equivalent)	A and A1share classes: Initial – EUR 1,000 or USD 1,000(or equivalent); Subsequent investment – EUR 1,000 or USD 1,000 (or equivalent)
Initial Charge	A: up to 5.00% of the total subscription amount (equivalent to 5.26315% of the Net Asset Value per Share) A1: up to 4.00% of the total subscription amount (equivalent to 4.16667% of the Net Asset Value per Share)	A: up to 5.00% of the total subscription amount (equivalent to 5.26315% of the Net Asset Value per Share) A1: up to 4.00% of the total subscription amount (equivalent to 4.16667% of the Net Asset Value per Share)
Management Fees by Share Class	A: 1.50% per annum A1: 1.50% per annum	A: 1.50% per annum A1: 1.50% per annum
Performance Fees	None	None
OnGoing Charge	A: 1.92%% per annum A1: 2.42% per annum The ongoing charges figure is based on the annualised expenses for the interim period ended 30 June 2019. This figure may vary from year to year.	A: 1.85% per annum A1: 2.35% per annum The ongoing charges figure is based on the annualised expenses for the interim period ended 30 June 2019. This figure may vary from year to year.
Existing and New Share Class Mapping	**Existing Share Class Held**	**New Share Class to be Held**
	A Accumulation USD	A Accumulation USD
	A Accumulation EUR	A Accumulation EUR
	A1 Accumulation USD	A1 Accumulation USD

The Merger will also apply to any additional share classes launched prior to the Effective Date.