

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 Global Allocator Fund dated October 2018, as amended and supplemented from time to time (the "**Explanatory Memorandum**").

8 November 2019

Dear Unitholder,

Termination of Schroder Umbrella Fund II (the "Fund") – Schroder Global Allocator Fund (the "Sub-Fund")

We are writing to advise you that the Manager has decided to terminate the Sub-Fund in which you are currently invested.

The Manager has decided to terminate the Sub-Fund under Clause 27.3(a) of the trust deed dated 8 October 2010 constituting the Fund, as amended and supplemented from time to time (the "Trust Deed"). Under Clause 27.3(a) of the Trust Deed, the Manager may terminate the Sub-Fund if the aggregate net asset value of the Sub-Fund is less than USD 50 million. The Sub-Fund had approximately 18.28 million US dollars under management as of 31 July 2019. The Manager envisages that the Sub-Fund will not be able to continue to maintain a size that can be managed cost-effectively. Therefore, in the best interest of shareholders, the Manager has decided to terminate the Sub-Fund and the Trustee has no objection to the termination of the Sub-Fund.

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

Details of the unit classes affected by the termination are listed in the Appendix to this letter.

Effective date

The Sub-Fund will be terminated on 17 December 2019 (the "Effective Date").

Redeeming your units or switching to another Schroders fund prior to termination

If you would like to redeem your units or switch to another Schroders fund authorized by the Securities and Futures Commission¹ prior to the termination you may do so at the respective dealing dates up to and including deal cut-off at 5:00 p.m. Hong Kong time on 9 December 2019. We will execute your instructions free of charge in accordance with the provisions of the Explanatory Memorandum. Please note that some distributors, paying agents, correspondent banks or similar agents might charge you transaction fees.

The Sub-Fund is closed for subscriptions from new investors. To allow sufficient time for changes to be made to regular savings plans and similar facilities, subscriptions or switches into the Sub-Fund will be accepted from existing investors until deal cut-off at 5:00 p.m. Hong Kong time on 9 December 2019.

Costs

The set-up costs of the Sub-Fund have been fully amortised. The Sub-Fund will bear the cost of the expenses incurred in the termination, including mailing and audit costs and the trading-related transaction costs associated with the disposal of the Sub-Fund's investments. The estimated cost of expenses incurred in the termination (excluding the trading-related transaction costs associated with the disposal of the Sub-Fund's investments) is HK\$168,000. Assets of the Sub-Fund will be set aside to cover such cost of expenses from the date of this notice and this will be reflected in the net asset value of the Sub-Fund as at the date of this notice. In the event the actual cost of expenses exceeds the estimate, the Manager will bear the shortfall. On the other hand, if the actual cost of expenses is lower than HK\$168,000 being set aside, the excess amount will be released back to the Sub-Fund and distributed to the remaining Unitholders on the Effective Date.

Tax status

This termination, or your redemption of units prior to the termination, might affect the tax status of your investment. We therefore recommend you to seek independent professional advice in these matters. Generally, unitholders should not be liable to Hong Kong profits tax on gains realized on the disposal of units, except where the acquisition and disposal of units are or form part of a trade, profession or business carried on by the unitholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the unitholders. Unitholders should take advice from their own professional advisors as to their particular tax position.

Your units at termination

Any holding that you retain in the Sub-Fund on the Effective Date will be redeemed at the net asset value per unit applicable on that date and the proceeds will be sent to you in accordance with the payment instructions which we hold on file for your account. These redemption payments will

¹ 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.

settle with a value date of 17 December 2019. The redemption will be made in accordance with the provisions of the Explanatory Memorandum, free of any redemption charges which might otherwise have been applicable. If we find that your payment instructions are invalid we will contact you for new instructions.

The Explanatory Memorandum and the Trust Deed of the Fund are available for inspection at the Manager's registered office, located at Level 33, Two Pacific Place, 88 Queensway, Hong Kong during normal business hours.

We hope that you choose to remain invested with Schroders after the Sub-Fund is terminated. If you would like more information about other Schroders fund, or have any questions about the termination, please contact your usual professional adviser 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 black ink, appearing to read 'Amy Cho', with a long, sweeping horizontal line extending to the right.

Amy Cho

Chief Executive Officer, Hong Kong

Appendix

Unit classes being terminated

Unit class	Ongoing Charges Figure ("OGC")*
Class A HKD Acc	2.74%
Class A HKD Dis	2.74%
Class A USD Acc	2.74%
Class A USD Dis	2.73%
Class A AUD Hedged Dis	2.74%
Class A RMB Hedged Dis	2.74%

*The OGC is based on the expenses for the year ended 30 June 2019.