

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 Asian Asset Income Fund dated June 2016, as amended and supplemented from time to time (the “**Explanatory Memorandum**”).

17 February 2017

Dear Unitholders

SCHRODER UMBRELLA FUND II (the “Fund”) - SCHRODER ASIAN ASSET INCOME FUND (the “Sub-Fund”)

We are writing to inform you of the following changes to the Fund and the Sub-Fund:

(A) Amendments to the Trust Deed

In order to better comply with the requirements of the SFC’s Code on Unit Trusts and Mutual Funds (the “**UT Code**”) and conform with the key provisions as set out in Section 5 of Annex 1 to the SFC’s Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds (“**Guide Requirements**”), the Trust Deed has been amended and superseded by way of an amended and restated Trust Deed (“**Amended and Restated Trust Deed**”). The Amended and Restated Trust Deed also contains other ancillary amendments. A summary of the key amendments made to the Trust Deed by way of the Amended and Restated Trust Deed is as follows:

1. incorporation of previous supplemental deeds to the Trust Deed and amendments to reflect the requirements under the UT Code and the Guide Requirements, in particular, the following:
 - a. enhancements of the definition of “Investment” in sub-clause 1.1 regarding derivative instrument;
 - b. sub-clause 3.3 is amended to provide that the Manager may, after consultation with the Trustee, or the Trustee may, after consultation with the Manager, declare a suspension of the determination of the net asset value of the Sub-Fund;
 - c. a new sub-clause 20.17 is inserted to provide that the Manager and the Trustee shall in the performance of their respective duties under the Trust Deed in relation to sub-funds that are authorised by the SFC at all times comply with the applicable provisions of the UT Code and shall act at all times in compliance with and in a manner consistent with the UT Code (as may be modified by any applicable waivers or exemptions granted by the SFC). Nothing in the Trust Deed shall diminish or exempt any of the Manager or the Trustee from any of its duties and liabilities under the UT Code;

- d. sub-clause 21.1 is replaced by the following:
- i. sub-clause 21.1A.1 provides that the Trustee shall be responsible and shall remain at all times liable for the safe-keeping of all of the investments, cash, assets and other property forming part of the trust fund in accordance with the provisions of the Trust Deed, and such investments, cash and registrable assets shall be registered in the name of or to the order of the Trustee and be dealt with as the Trustee may think proper for the purpose of providing for the safe-keeping thereof provided that where borrowing is undertaken for the account of the Fund pursuant to clause 14, for giving security in connection with such borrowing the assets of the relevant sub-fund may be registered in the lender's name or in that of a nominee appointed by the lender;
 - ii. sub-clause 21.1A.2 provides that the Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, any of its connected persons) or have such person or person(s) appointed to hold, as custodian, nominee or agent of the Trustee, all or any of the Investments, assets or other property comprised in the Sub-Fund (each such person a "**Custodian**") and may empower any such Custodian to appoint, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians. The Trustee is required to (a) exercise reasonable care and diligence in the selection, appointment and monitoring of such persons and, (b) be satisfied that such persons retained remain suitably qualified and competent to provide the relevant custodial services to the Sub-Fund. The Trustee shall be responsible for the acts and omissions of any Custodian which is a connected person of the Trustee in relation to assets forming part of the property of the trust fund as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in sub-paragraphs (a) and (b) as set out above, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Custodian which is not a connected person of the Trustee;
 - iii. sub-clause 21.1A.3 sets out the persons that the Trustee shall procure to take delivery of and retain and/or be registered as proprietor of any investments held upon the trusts of the Trust Deed;
 - iv. sub-clause 21.1A.4 sets out the persons for which the Trustee shall not be liable in certain circumstances;
- e. a new sub-clause 21.2A is inserted to provide that for so long as the Fund is authorised by the SFC, section 41O of the Trustee Ordinance shall not apply to the extent that is inconsistent with sub-clause 21.1A and/or with the Trustee's duties and responsibilities under the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products, and shall not in any way operate to exempt or diminish any liability of the Trustee as set out in sub-clause 20.5;
- f. a new sub-clause 21.6A is inserted to provided that the Trustee shall exercise reasonable care and diligence in the selection of the valuation service providers and shall satisfy itself that the valuation service providers engaged are competent and have the resources to duly discharge their obligations;
- g. sub-clause 21.8 is amended to clarify that the Trustee shall be entitled for the purpose of indemnity against any action, costs, claims, damages, expenses or demands relating to the Sub-Fund other than those arising out of any liability or obligation to the Unitholders imposed on the Trustee pursuant to the laws of Hong Kong or the Trust Deed or any breach of trust through fraud or negligence on the part of the Trustee;

- h. sub-clause 30.1(a) is amended to provide that where the Trustee and the Manager shall certify in writing that in its opinion the modification, alteration or addition to the Trust Deed does not materially prejudice the interests of the Unitholders, does not operate to release to any material extent the Trustee or the Manager or any other person from any liability to the Unitholders and will not result in any increase in the amount of costs and charges payable from the trust fund (other than the costs, charges, fees and expenses incurred in connection with the supplemental deed), such modification, alteration or addition shall be made without the sanction of an extraordinary resolution of Unitholders;
 - i. paragraph 4.2.2 of Schedule 1 to the Trust Deed is amended to provide that the Manager may at any time with the prior written consent of the Trustee and shall at such times or at such intervals as the Trustee may request cause a revaluation to be made of any unquoted investment (other than an interest in a collective investment scheme or a commodity) by a professional person approved by the Trustee as qualified to value such unquoted investment;
 - j. paragraph 4.3 of Schedule 1 to the Trust Deed is amended to provide that cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager with the prior written consent of the Trustee, any adjustment should be made to reflect the value thereof;
 - k. paragraph 4.7 of Schedule 1 to the Trust Deed is amended to provide that notwithstanding paragraphs 4.1 to 4.6 of Schedule 1 to the Trust Deed, the Manager may, with the prior written consent of the Trustee, adjust the value of cash, deposits and any Investment or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations they deem relevant, they consider that such adjustment or use of such other method is required to reflect the fair value thereof;
 - l. paragraph 8 of Schedule 3 to the Trust Deed is amended to provide that at any meeting an extraordinary resolution put to the vote of the meeting shall be decided on a poll;
 - m. paragraph 9 of Schedule 3 to the Trust Deed is amended to provide that the result of a poll shall be deemed to be the resolution of the meeting at which the poll was taken;
 - n. paragraph 10 of Schedule 3 to the Trust Deed is amended to provide that on a poll every Unitholder who is present in person or by representative as aforesaid or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way;
 - o. paragraphs 11 and 12 of Schedule 3 to the Trust Deed are deleted;
2. updates to the definition of “Associate” in sub-clause 1.1 and amendments to sub-clause 1.4 regarding references to the new Companies Ordinance;
 3. insertion of a new definition “Ineligible Investor” in sub-clause 1.1 and amendments to sub-clause 10.9 to clarify that being an “Ineligible Investor”, i.e. US person is an example of a ground for compulsory redemption;
 4. insertion of a new definition “Principal Deed” in sub-clause 1.1 and amendments to sub-clause 2.3 to set out information updates relating to the history of the Fund; and
 5. insertion of a new definition “US” or “U.S.” in sub-clause 1.1.

The amendments described above are in summary form only and are not meant to be an exhaustive list of the amendments made to the Trust Deed. Investors should note that there are other ancillary amendments to the Trust Deed as amended and as such, should review the Amended and Restated Trust Deed for further details on the amendments made. The Amended and Restated Trust Deed may be inspected free of charge during normal working hours at the offices of the Manager at Level 33, Two Pacific Place, 88 Queensway, Hong Kong.

The Explanatory Memorandum will be revised to reflect the amendments as set out above, where applicable.

(B) Automatic Exchange of Financial Account Information

The Explanatory Memorandum will be enhanced to include disclosures on the Standard for Automatic Exchange of Financial Account Information.

The Inland Revenue (Amendment) (No.3) Ordinance (the “**Ordinance**”) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“**AEOI**”). The AEOI requires financial institutions (“**FI**”) in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, 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. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement (“**CAA**”); however, the Sub-Fund and/or its agents may further collect information relating to residents of other jurisdictions.

The Sub-Fund is required to comply with the requirements of AEOI as implemented by Hong Kong, which means that the Sub-Fund and/or its agents shall collect and provide to the IRD tax information relating to unitholders and prospective investors.

The AEOI rules as implemented by Hong Kong require the Sub-Fund to, amongst other things: (i) register the Sub-Fund’s status as a “Reporting Financial Institution” with the IRD; (ii) conduct due diligence on its accounts (i.e., unitholders) to identify whether any such accounts are considered “Reportable Accounts” for AEOI purposes; and (iii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the Ordinance, 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.

By investing in the Sub-Fund and/or continuing to invest in the Sub-Fund, unitholders acknowledge that they may be required to provide additional information to the Sub-Fund, the Manager and/or the Sub-Fund’s agents in order for the Sub-Fund 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 Sub-Fund.

(C) Amendments to the Explanatory Memorandum

The Explanatory Memorandum will be revised to reflect the above changes in due course.

The revised Explanatory Memorandum and Product Key Facts Statement will be available upon request from the office of the Manager at Level 33, Two Pacific Place, 88 Queensway, Hong Kong and will also be available on Schroders' website at www.schroders.com.hk. The website is not authorised by the SFC.

If you have any questions or 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



Chris Durack
Chief Executive Officer, Hong Kong

施羅德投資管理（香港）有限公司
香港金鐘道 88 號太古廣場二座 33 字樓

Tel 電話 +852 2521 1633 Fax 傳真 +852 2530 9095
www.schroders.com.hk

重要提示：此函件務須閣下垂閱。閣下如對本函件之內容有任何疑問，應尋求獨立專業的意見。施羅德投資管理（香港）有限公司（「經理人」）就本函件所載資料之準確性承擔全部責任，並在作出一切合理查詢後確認，盡其所知所信，本函件並無遺漏足以令本函件的任何陳述具誤導成分的其他事實。

除非本文另有指明，本函件所用詞彙與施羅德亞洲高息股債基金日期為2016年6月的解釋說明書（經不時修訂及補充）（「解釋說明書」）所界定者具有相同涵義。

親愛的單位持有人：

施羅德傘型基金II（「本基金」） — 施羅德亞洲高息股債基金（「子基金」）

我們來信通知閣下有關本基金和子基金的下述變更：

(A) 更改信託契約

為了進一步遵守證監會之單位信託及互惠基金守則（「守則」）和符合證監會之單位信託及互惠基金認可申請程序指引（「要求指引」）附錄1第5節所載之主要條款，本基金信託契約已經由一份修訂和重述信託契約（「修訂和重述信託契約」）修訂和取替。修訂和重述信託契約亦包括其他補充性修訂。經修訂和重述信託契約對信託契約作出的主要修訂概述如下：

1. 將以往的補充契約，以及守則和要求指引規定的修改合併至信託契約，特別是以下條款：
 - a. 更詳細解釋第1.1條款有關衍生工具的「投資」（“Investment”）的定義；
 - b. 修改第3.3條款，要求經理人在諮詢受託人，或受託人在諮詢經理人之後可宣佈暫停計算子基金的資產淨值；
 - c. 加入新條款20.17，要求經理人和受託人各自履行信託契約內有關證監會認可的子基金的職責時，無論何時均遵守守則的適用條款，並在任何時間符合守則適用的條款，並以與守則（經證監會批准的任何適用寬除或豁免修改）一致的方式行為。信託契約沒有任何條文可以減少或豁免經理人或受託人在守則下之任何職責和責任；
 - d. 第21.1條款被下文取代：
 - i. 第21.1A.1條規定依照信託契約條款組成基金產業的所有投資、現金、資產和其他財產而言，受託人有保管的責任和在任何時間為此負責。該等投資、現金和可註冊資產應該以受託人之名稱或依受託人指示註冊，並依受託人為保管目的而認為合適的方法處理，然而，當依照第14條為本基金進行借貸而需要為該等借貸提供抵押，相關子基金的資產可以借入人之名稱或借入人委任之代名人名稱註冊。

- ii. 第21.1A.2條款規定受託人可不時委任任何人士（包括但不限於受託人之關連人士）或促使委任該等人士為組成子基金的所有或任何投資、資產或其他財產的保管人、受託人的代名人或代理人（各稱為「保管人」），並可授權任何該等保管人在獲得受託人事先書面同意後委任共同保管人及／或代理保管人。受託人應：(a) 以合理謹慎勤勉的態度挑選、委任和監察有關人士，及 (b) 信納有關人士為合適資格和有能力向子基金提供相關保管服務。就成為子基金產業的資產而言，如保管人為受託人之關連人士，受託人應為任何保管人的行為或遺漏，當作為受託人本身的行為或遺漏負責。然而，如受託人已履行上文(a)和(b)段之責任，受託人毋須為任何非受託人關連人士的保管人的任何行為、遺漏、破產、清盤或倒閉負責。
- iii. 第21.1A.3條款列出受託人須向其尋求將信託契約以信託形式持有的投資交付和保留和／或註冊成為擁有人之人士；
- iv. 第21.1A.4條款列出在若干情況下受託人毋須為其負責的若干人士；
- e. 加入新條款21.2A，規定本基金獲證監會認可的期間，如受託人條例第410條與第21.1A條及／或證監會單位信託和互惠基金、投資連結保險計劃和非上市結構性投資產品手冊內所述之受託人職責和責任不相符，在不相符的範圍內受託人條例第410條將不適用，亦不應以任何方法將受託人於第20.5條下之任何責任豁免或減少；
- f. 加入新條款21.6A，規定受託人應行使合理的謹慎勤勉來挑選估值服務的提供者，並應信納其聘用的估值服務提供者有能力和擁有資源來妥為履行其責任；
- g. 修改第21.8條，以闡釋受託人為賠償目的有權抵銷與子基金有關的任何訴訟、費用、索償、損害賠償、開支或要求（由於根據香港法律或信託契約對受託人施加的對單位持有人的任何責任或義務，或由於受託人之欺詐或疏忽引致任何違返信託引起的除外）的補償；
- h. 修改第30.1(a)條，規定受託人和經理人以書面證明，其認為對信託契約的修改、更改或附加不會重大地損害單位持有人的利益，不會導致受託人或經理人或任何其他人對單位持有人的任何責任有任何重大程度的免除，亦不會導致從信託基金中支付的費用和開支金額（有關補充契約產生的費用、開支、收費和支出除外）有任何增加。該等修改、更改或附加毋須通過單位持有人特別議案批准才可以進行；
- i. 修改信託契約附件I第4.2.2段，要求經理人可以在獲得受託人事先書面同意的任何時間，和受託人要求的該等時間或該等期間，促使由受託人批准的合資格專業人士對任何非上市投資（於集體投資計劃或商品的利益除外）重新估值；
- j. 修改信託契約附件I第4.3段，規定現金、存款及類似投資須以其面值（連同累計利息）進行估值，除非經理人在獲得受託人事先書面同意認為須進行任何調整以反映其價值；
- k. 修改信託契約附件I第4.7段，儘管信託契約附件I第4.1至4.6段另有規定，考慮到貨幣、適用利率、到期日或適銷性和其認為相關的其他考慮因素，經理人認為有需要以該等調整或使用該等其他方法來反映公平價值，則可在獲得受託人事先書面同意下，調整現金、存款和任何投資的價值，或允許使用某些其他估值方法；
- l. 修改信託契約附件3第8段，規定在任何會議上進行投票的特別決議應以舉手表決的方式進行；

- m. 修改信託契約附件3第9段，規定在會議上以舉手表決的結果應被視為要求舉手表決的會議上所作的決議；
 - n. 修改信託契約附件3第10段，規定舉手表決時，親身出席或如上所述由代表人出席或通過代表委任表格投票的每一位單位持有人，就其持有的每一單位應有一票表決權。擁有一票以上投票權的人不需要使用所有投票權或以同樣的方式投票；
 - o. 刪除信託契約附件3第11和12段；
2. 更新第1.1條款下「關聯人士」（“Associate”）之定義，和修訂第1.4條款下有關於新《公司條例》的內容；
 3. 在第1.1條款下加入新定義「非合資格投資者」（“Ineligible Investor”），和修訂第10.9條款以闡釋作為「非合資格投資者」（“Ineligible Investor”）（即「美國人士」）是強制性贖回的理據的一個例子；
 4. 在第1.1條款下加入新定義「主體契約」（“Principal Deed”），和修訂第2.3條款以更新有關本基金歷史的資料；和
 5. 在第1.1條款下加入新定義「美國」（“US”或“U.S.”）。

以上修訂僅為概述而已，並非信託契約之修訂的詳細清單。投資者請注意信託契約（經修訂）亦有其他補充性修訂。因此，有關修訂的更多資料，投資者應閱讀修訂和重述信託契約。閣下可在一般辦公時間內向經理人位於香港金鐘道88號太古廣場二座33字樓的辦事處免費查閱該修訂和重述信託契約。

基金解釋說明書將會作出適當的修訂以反映上述修改。

(B) 自動交換財務賬戶資料

基金解釋說明書將進一步披露自動交換財務賬戶資料的標準。

《稅務（修訂）（第3號）條例》（「條例」）已於2016年6月30日生效，就於香港落實有關自動交換財務賬戶資料（「自動交換資料」）安排的標準訂立法律框架。自動交換資料安排規定，香港金融機構（「金融機構」）須收集持有香港金融機構帳戶的非香港稅務居民的資料，並向香港稅務局（「稅務局」）提交有關資料，而稅務局將與帳戶持有人居住所在的司法管轄區交換資料。一般而言，稅務資料僅會與香港與其簽訂主管當局協定（「主管當局協定」）的司法管轄區交換；然而，子基金及／或其代理可進一步收集有關其他司法管轄區稅務居民的資料。

子基金須遵守香港落實的自動交換資料安排的規定，表示子基金及／或其代理須收集並向稅務局提供有關單位持有人及有意投資者的稅務資料。

香港落實的自動交換資料安排的規則規定，子基金須（其中包括）：(i)於稅務局將基金狀態登記為「申報金融機構」；(ii)對其帳戶（即單位持有人）進行盡職審查，以識別任何有關帳戶是否就自動交換資料安排而言被視為「應申報帳戶」；及(iii)向稅務局匯報有關應申報帳戶的資料。稅務局預計會每年將其接獲的資料傳送予香港與其簽訂主管當局協定的有關司法管轄區之政府機關。概括而言，自動交換資料安排規定，香港金融機構需匯報有關以下兩者的資料：(i)屬於香港與其簽訂主管當局協定的司法管轄區的稅務居民之個人或實體；及(ii)屬於有關其他司法管轄區的稅務居民之個人所控制的若干實體。根據條例，單位持有人的詳情（包括但不限於其名稱、出生所在司法管轄區、地址、稅收居所、帳戶詳情、帳戶餘額／價值及收入或銷售或贖回所得款項）可匯報予稅務局，其後與稅收居所相關司法管轄區的政府機關交換。

透過投資於子基金及／或繼續投資於子基金，單位持有人確認，彼等可能須向子基金、基金經理及／或基金代理提供額外資料，以便子基金遵守自動交換資料安排。單位持有人的資料（及實益擁有人、受益人、直接或間接股東，或與該等不屬於自然人的單位持有人相關聯之其他人士的資料）可能會由稅務局傳送予其他司法管轄區的有關機關。

有關自動交換資料安排對其於子基金的當前或建議投資的行政及實質影響，各單位持有人及有意投資者應諮詢其專業顧問。

(C) 基金解釋說明書的修訂

基金解釋說明書將會在適當的時候修訂以反映上述變更。

修訂的基金解釋說明書和產品資料概要於／將於經理人位於香港金鐘道88號太古廣場二座33字樓的辦公室可供索取，並載於施羅德的網站www.schroders.com.hk。該網站未經證監會審閱。

閣下如有任何疑問或需要更多資料，請聯絡閣下的專業顧問或致電施羅德投資熱線電話：(852) 2869 6968 查詢。

此致



杜偉麒
香港區行政總裁
施羅德投資管理（香港）有限公司

2017年2月17日