

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.

26 October 2022

Dear Shareholder,

Schroder International Selection Fund (the “Company”) – Changes to investment policies of the Funds

We are writing to inform you on the changes to the investment policies of the Funds (as defined below) in respect of investment in debt instruments issued by financial institutions with loss-absorption features (“LAPs”) (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) with effect from 28 November 2022 (the “Effective Date”). These changes are made in order to allow greater investment flexibility and/or expand the investment universe of the Funds.

Investment Policy Change

With effect from the Effective Date, the investment limit in LAPs of the following sub-funds of the Company (each a “Fund” and collectively the “Funds”) will be changed as follows:

Funds	Limit of Fund’s investment in LAPs (% of the Fund’s Net Asset Value)	
	Prior to the Effective Date	With effect from the Effective Date
Schroder International Selection Fund – EURO Corporate Bond	Less than 30%	Less than 50%
Schroder International Selection Fund – Global Corporate Bond	Less than 30%	Less than 50%
Schroder International Selection Fund – US Dollar Bond	Less than 30%	Less than 50%

Schroder International Selection Fund – Emerging Markets Multi-Asset	Up to 15%	Up to 20%
Schroder International Selection Fund – Global Multi-Asset Income	Up to 15%	Up to 20%
Schroder International Selection Fund – Multi-Asset Growth and Income	Up to 15%	Up to 20%
Schroder International Selection Fund – Sustainable Multi-Asset Income	Up to 15%	Up to 20%
Schroder International Selection Fund – Global Inflation Linked Bond	0%	Up to 10%

Accordingly, with effect from the Effective Date, the investment policies of the Funds in respect of investment in LAPs will change in the manner set out below.

EURO Corporate Bond, Global Corporate Bond and US Dollar Bond

The investment policies of EURO Corporate Bond, Global Corporate Bond and US Dollar Bond will change from:

“The fund may invest less than 30% of its net asset value in debt instruments with loss-absorption features (e.g. contingent convertible bonds, Additional Tier 1 and Tier 2 capital notes, senior and senior non-preferred notes, bail-in bonds, capital security bonds, subordinated Tier 2 capital notes, subordinated Additional Tier 1 capital notes and subordinated Lower Tier 2 capital notes). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.”

To:

“The fund may invest may invest less than 50% 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.”

Emerging Markets Multi-Asset, Global Multi-Asset Income, Multi-Asset Growth and Income and Sustainable Multi-Asset Income

The investment policies of Emerging Markets Multi-Asset, Global Multi-Asset Income, Multi-Asset Growth and Income and Sustainable Multi-Asset Income will change from:

“The fund may invest up to 15% of its net asset value in debt instruments with loss-absorption features (e.g. contingent convertible bonds, Additional Tier 1 and Tier 2 capital notes, senior and senior non-preferred notes, bail-in bonds, capital security bonds, subordinated Tier 2 capital notes, subordinated Additional Tier 1 capital notes and subordinated Lower Tier 2 capital notes). These instruments may be subject to contingent

write-down or contingent conversion to ordinary shares on the occurrence of trigger events.”

To:

“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.”

Global Inflation Linked Bond

The following disclosures will be added to Global Inflation Linked Bond’s investment policy:

“The fund may invest up to 10% 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.”

Implication of the proposed changes

As a result of the changes in investment policies as set out above, (i) Global Inflation Linked Bond will be subject to additional risks associated with investment in LAPs (“**LAP Risks**”) (as disclosed in the Hong Kong offering documents); and (ii) EURO Corporate Bond, Global Corporate Bond and US Dollar Bond will be subject to an increased LAP Risks when utilizing the greater investment flexibility and the LAP Risks (as disclosed in the Hong Kong offering documents) will become one of the key risks for these Funds.

Save as disclosed above, (i) all other key features of the Funds (including fees chargeable in respect of the Funds as stated in the Hong Kong offering documents) will remain the same; (ii) there will be no material change to the risks applicable to the Funds and the operation and/or manner in which the Funds are being managed as a result of the changes set out above. The changes are not expected to materially prejudice the rights or interests of existing investors.

Costs and expenses in respect of the changes

Any costs and expenses incurred in the above changes including legal, audit and regulatory charges, which are estimated to be approximately less than 0.01% of the net asset value of each of the Funds, will be borne by the relevant Fund. Such costs and expenses are expected to be insignificant.

The Hong Kong offering documents of the Company (comprising the Hong Kong Covering Document and Product Key Facts Statement of the Funds) will be revised to reflect the above changes and will be available free of charge at www.schroders.com.hk¹ or upon request from the

¹ This website has not been reviewed by the SFC.

Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

Redeeming or switching your shares to another Schroders fund

We hope that you will choose to remain invested in the Funds following the changes, but if you do wish to redeem your holding in the Funds or to switch into another of the Company's sub-funds authorized by the Securities and Futures Commission ("SFC")² before the Effective Date, you may do so at any time up to and including the dealing cut-off at 5:00 p.m. Hong Kong time on **25 November 2022**. Please ensure that your redemption or switch instruction reaches the Hong Kong Representative before this deadline. We will execute your redemption or switch instructions in accordance with the provisions of the Company's Hong Kong offering documents, free of charge, although in some countries local paying agents, correspondent banks or similar agents might charge transaction fees. Local agents might also have a local dealing cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach the Hong Kong Representative before the dealing cut-off at 5:00 p.m. Hong Kong time on **25 November 2022**.

Enquiries

If you have any questions or would like more information, please contact your usual professional advisor or the Hong Kong Representative at Level 33, Two Pacific Place, 88 Queensway, Hong Kong or calling the Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,

The Board of Directors

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.