

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.

3 April 2024

Dear Shareholder,

Schroder International Selection Fund (the "Company") – Strategic Bond (the "Fund")

We are writing to inform you that on 8 May 2024 (the "**Effective Date**") the investment objective of the Fund will change and the current comparator benchmark, ICE BofA 3 Month US Treasury Bill Index, will become the target benchmark.

Full details of the changes are set out in the Appendix to this letter.

Background and rationale

The Fund's current investment objective states that it aims to provide an absolute return (i.e. positive returns over a 12-month period in all market conditions). However, as bond market volatility has increased due to the recent market environment, a 12-month time horizon to achieve an absolute return has become increasingly difficult to meet. We believe that a longer-term benchmark relative approach which takes into account the performance and trends of the market will provide a more realistic target for the Fund.

Investment objective changes, removal of comparator benchmark and addition of target benchmark

The Fund's investment objective will be updated to reflect the change of target from absolute return (i.e. positive returns over a 12-month period in all market conditions) to capital growth and income in excess of ICE BofA 3 Month US Treasury Bill Index over a three to five year period after fees have been deducted by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

Further, the Fund's current comparator benchmark, i.e. ICE BofA 3 Month US Treasury Bill Index, will become the target benchmark from the Effective Date. The Fund will no longer have a comparator benchmark, which was only included for performance comparison purposes, from the Effective Date. The new target benchmark has been selected because the target return of

the Fund is to deliver the return of that benchmark as stated in the investment objective of the Fund as from the Effective Date.

Implication of the changes

Save as disclosed above, (i) all other key features of the Fund (including fees chargeable in respect of the Fund as stated in the Hong Kong offering documents) will remain the same; (ii) there will be no change to the risks applicable to the Fund; and (iii) there will also be no material change in the operation and/or manner in which the Fund is 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.

The Hong Kong offering documents of the Company will be revised to reflect the changes / updates as set out above and will be available free of charge at www.schroders.com.hk¹ or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

Costs and expenses in respect of the changes

The Fund will bear any costs and expenses associated with the changes including legal, audit and regulatory charges, which are expected to be insignificant and are estimated to be approximately less than 0.01% of the net asset value of the Fund as of 1 March 2024.

Redeeming or switching your shares to another Schroders fund

We hope that you will choose to remain invested in the Fund following these changes, but if you do wish to redeem your holding in the Fund or to switch into another of the Company's sub-funds authorized by the Securities and Futures Commission (the "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 **7 May 2024**.

Please ensure that your redemption or switch instruction reaches the Hong Kong Representative or the Company's transfer agent's delegate, The Hongkong and Shanghai Banking Corporation Limited (the "**Delegate**") before this deadline. We or the Delegate 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 intermediaries 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 or the Delegate before the dealing cut-off at 5:00 p.m. Hong Kong time on **7 May 2024**.

¹ This website has not been reviewed by the SFC.

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.

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

Appendix

Deletions are shown as crossed out text and additions are shown as underlined text.

Current Investment Objective and Benchmark	New Investment Objective and Benchmark
<p>Investment Objective</p> <p>The Fund aims to provide an absolute return after fees have been deducted by investing in fixed and floating rate securities. Absolute return means the Fund seeks to provide a positive return over a 12-month period in all market conditions, but this cannot be guaranteed and your capital is at risk.</p>	<p>Investment Objective</p> <p>The Fund aims to provide an absolute return <u>capital growth and income in excess of the ICE BofA 3 Month US Treasury Bill Index over a three to five year period</u>^{Note} after fees have been deducted by investing in fixed and floating rate securities <u>issued by governments, government agencies, supranationals and companies worldwide.</u> Absolute return means the Fund seeks to provide a positive return over a 12-month period in all market conditions, but this cannot be guaranteed and your capital is at risk.</p> <p><u>Note For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. 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.</u></p>
<p>Benchmark</p> <p>The Fund's performance should be assessed against its objective of providing a positive return over a 12-month period in all market conditions and compared against the ICE BofA US 3 Month Treasury Bill Index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets.</p> <p>The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.</p>	<p>Benchmark</p> <p>The Fund's performance should be assessed against its <u>target benchmark being to exceed</u> objective of providing a positive return over a 12-month period in all market conditions and compared against the ICE BofA US 3 Month US Treasury Bill Index. <u>The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of a benchmark.</u></p> <p>The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager believes that the</p>

	<p>benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.</p>
--	---