

Schroder International Selection Fund
Société d'Investissement à Capital Variable
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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.

12 July 2022

Dear Shareholder,

Schroder International Selection Fund – Sustainable Finance Disclosure Regulation (“SFDR”)

We are writing to advise you that the investment objectives and policies of some funds (the “**Funds**”) in the prospectus of Schroder International Selection Fund (the “**Company**”) will change with effect from 1 September 2022 (the “**Effective Date**”). The Appendix 1 to this letter shows a full list of the Funds affected.

From the Effective Date, each Fund will incorporate binding environmental and/or social characteristic(s), within the meaning of Article 8 of the SFDR.

Details of each Fund’s environmental and/or social characteristics and how it seeks to achieve them will be disclosed in the Fund’s investment policy and under a new section called “Sustainability Criteria” in the Fund Characteristics section in the Fund Details, as set out in Appendix III of the prospectus. A summary of the changes are set out in Appendix 2 to this notice.

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

There are no other changes to the Funds’ investment style, investment philosophy, investment strategy, and the operation and/or manner in which the Funds are being managed following these changes.

Redeeming or switching your shares to another Schroders fund

We hope that you will choose to remain invested in the Fund(s) following the changes, but if you do wish to redeem your holding in the Fund(s) 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

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.

may do so at any time up to and including the dealing cut-off at 5:00 p.m. Hong Kong time on **30 August 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 **30 August 2022**.

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 1

Schroder International Selection Fund – Asian Local Currency Bond

Schroder International Selection Fund – China Opportunities

Schroder International Selection Fund – Global Bond

Schroder International Selection Fund – Japanese Opportunities

Appendix 2

Article 8 Funds

New wording is shown as underlined text

Sub-Fund	Investment Objective and Policy as stated in the Company's prospectus dated January 2022	Enhanced Investment Objective and Policy and Sustainability Criteria
Asian Local Currency Bond	<p>Investment Objective</p> <p>The Fund aims to provide capital growth and income in excess of the iBoxx Asian Local Currency Bond index after fees have been deducted over a three to five year period by investing in Asian fixed income securities denominated in local currencies.</p>	<p>Investment Objective</p> <p>The Fund aims to provide capital growth and income in excess of the iBoxx Asian Local Currency Bond index after fees have been deducted over a three to five year period by investing in Asian fixed income securities denominated in local currencies.</p>
	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed income securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in local currencies issued by government, government agencies and companies in Asia (excluding Japan) and derivatives related to the above instruments. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.</p>	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed income securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in local currencies issued by government, government agencies and companies in Asia (excluding Japan) and derivatives related to the above instruments. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.</p> <p>The Fund may invest directly in mainland China through (i) RQFII</p>

	<p>The Fund may invest directly in mainland China through (i) RQFII schemes or QFII related schemes supervised by the China Securities Regulatory Commission provided investment restriction 1.(A) (5) (I) of Appendix I is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the CIBM via Bond Connect).</p> <p>Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible derivative transactions.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives (including total return swaps and long and short currency forwards) with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps may be used to gain long and short exposure on fixed income securities. The gross exposure of total return swaps will not exceed 60% and is expected to remain within the range of 0% to</p>	<p>schemes or QFII related schemes supervised by the China Securities Regulatory Commission provided investment restriction 1.(A) (5) (I) of Appendix I is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the CIBM via Bond Connect <u>or CIBM Direct</u>).</p> <p>Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible derivative transactions.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may <u>intends to</u> use derivatives (including total return swaps and long and short currency forwards) with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, <u>the aim is to use total return swaps may be used to gain long and short exposure on fixed income securities on a temporary basis in market conditions including but not limited to periods of slow economic growth and falling interest rates, and where the Investment Manager's view is that sovereign spread premiums will compress</u>. The gross exposure of total return swaps will not exceed 60<u>20</u>%</p>
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	<p>30% of the Net Asset Value. In certain circumstances this proportion may be higher.</p>	<p>and is expected to remain within the range of 0% to 305% of the Net Asset Value. In certain circumstances this proportion may be higher.</p> <p><i>As of 1 September 2022 the following will become part of the Investment Policy section:</i></p> <p><u>The Fund maintains a higher overall sustainability score than the iBoxx Asian Local Currency Bond index, based on the Investment Manager's rating criteria. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</u></p> <p><u>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via www.schroders.com/en/lu/private-investor/gfc¹.</u></p>
	<p>Benchmark</p> <p>The Fund's performance should be assessed against its target benchmark being to exceed the iBoxx Asian Local Currency Bond index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is</p>	<p>Benchmark</p> <p>The Fund's performance should be assessed against its target benchmark being to exceed the iBoxx Asian Local Currency Bond index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is,</p>

¹ For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre> (this website has not been reviewed by the SFC).

	<p>representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.</p>	<p>therefore, an appropriate target in relation to the return that the Fund aims to provide.</p> <p><i><u>As of 1 September 2022 the following will become part of the Benchmark section:</u></i></p> <p><u>The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.</u></p>
	<p>Specific Risk Considerations</p> <p>Long and short positions gained through bond total return swaps may increase exposure to credit-related risks. The Fund may invest in mainland China through RQFII schemes or Regulated Markets (including the CIBM via Bond Connect). Investors should note that the RQFII status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding RQFII status, RQFII quota, the CIBM and Bond Connect.</p> <p>The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p> <p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all share classes after fees have been deducted</p>	<p>Specific Risk Considerations</p> <p>Long and short positions gained through bond total return swaps may increase exposure to credit-related risks. The Fund may invest in mainland China through RQFII schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). Investors should note that the RQFII status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding RQFII status, RQFII quota, the CIBM and Bond Connect.</p> <p><i><u>As of 1 September 2022 the following risk consideration will apply:</u></i></p> <p><u>The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.</u></p>

	<p>The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p> <p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all share classes after fees have been deducted</p>
	<p>Sustainability Criteria</p> <p><i>As of 1 September 2022 the following section will apply:</i></p> <p><u>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</u></p> <p><u>The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:</u></p> <ul style="list-style-type: none"> <u>– the exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs.</u> <u>– the inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager’s sustainability rating methodology.</u> <p><u>The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.</u></p> <p><u>The primary sources of information used to perform the analysis are the</u></p>

		<p><u>Investment Manager’s proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.</u></p> <p><u>More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures².</u></p> <p><u>The Investment Manager ensures that at least:</u></p> <ul style="list-style-type: none"><u>– 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</u><u>– 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries.</u> <p><u>held in the Fund’s portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</u></p>
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² For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/sustainability/making-an-impact-through-sustainability> (this website has not been reviewed by the SFC).

<p>China Opportunities</p>	<p>Investment Objective</p> <p>The Fund aims to provide capital growth in excess of the MSCI China (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies.</p>	<p>Investment Objective</p> <p>The Fund aims to provide capital growth in excess of the MSCI China (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies.</p>
	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two thirds of its assets in equity and equity-related securities of Chinese companies.</p> <p>The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:</p> <ul style="list-style-type: none"> - Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect; - The Renminbi Qualified Institutional Investor (RQFII) Scheme; and - Regulated Markets. <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p>	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two thirds of its assets in equity and equity-related securities of Chinese companies.</p> <p>The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:</p> <ul style="list-style-type: none"> - Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect; - The Renminbi Qualified Institutional Investor (RQFII) Scheme; - <u>shares listed on the STAR Board and the ChiNext</u>; and - Regulated Markets. <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p> <p><u>As of 1 September 2022 the following will become part of the Investment Policy section:</u></p> <p><u>The Fund maintains a higher overall sustainability score than the MSCI China (Net TR) index, based on the</u></p>

		<p><u>Investment Manager's rating criteria. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</u></p> <p><u>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Fund's webpage, accessed via www.schroders.com/en/lu/private-investor/gfc³.</u></p>
	<p>Benchmark</p> <p>The Fund's performance should be assessed against its target benchmark being to exceed the MSCI China (Net TR) index and compared against the Morningstar China Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator</p>	<p>Benchmark</p> <p>The Fund's performance should be assessed against its target benchmark being to exceed the MSCI China (Net TR) index and compared against the Morningstar China Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not have any bearing on <u>determine</u> how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable</p>

³ For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre> (this website has not been reviewed by the SFC).

	<p>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>comparison for performance purposes given the Fund's investment objective and policy.</p> <p><u>As of 1 September 2022 the following will become part of the Benchmark section:</u></p> <p><u>The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.</u></p>
	<p>Specific Risk Considerations</p> <p>Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.</p> <p>The Fund may invest in mainland China through RQFII schemes or Regulated Markets. Investors should note that the RQFII status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding RQFII status and RQFII quota.</p> <p>The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p>	<p>Specific Risk Considerations</p> <p>Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.</p> <p><u>As of 1 September 2022 the following risk consideration will apply:</u></p> <p><u>The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.</u></p>

	<p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.</p>	<p>The Fund may invest in mainland China through RQFII schemes or Regulated Markets. Investors should note that the RQFII status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding RQFII status and RQFII quota.</p> <p>The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p> <p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.</p>
		<p>Sustainability Criteria</p> <p><i>As of 1 September 2022 the following section will apply:</i></p> <p><u>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</u></p> <p><u>In the selection and assessment of potential investment opportunities and holdings, companies are assessed on a proprietary stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Information and insights derived from Schroders’ proprietary sustainability tools are utilised in this assessment and due diligence process.</u></p> <p><u>The Investment Manager’s proprietary analysis and ongoing engagement with these companies may also help it</u></p>

		<p><u>derive a reasonable level of conviction that concrete steps will be or are being taken to transition out of business segments or practices that have not met the sustainability criteria or improve on their relevant areas of weakness. The Investment Manager may consider these companies eligible for investment ahead of seeing changes in the company's ratings and rankings across both internal and external evaluation metrics.</u></p> <p><u>The primary sources of information used to perform the analysis include the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.</u></p> <p><u>More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures⁴.</u></p> <p><u>The Investment Manager ensures that at least:</u></p> <ul style="list-style-type: none"><u>– 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</u><u>– 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit</u>
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⁴ For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/sustainability/making-an-impact-through-sustainability> (this website has not been reviewed by the SFC).

		<p><u>rating; and sovereign debt issued by emerging countries.</u></p> <p><u>held in the Fund's portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</u></p>
<p>Global Bond</p>	<p>Investment Objective</p> <p>The Fund aims to provide capital growth and income in excess of the Bloomberg Barclays Global Aggregate Bond index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities.</p>	<p>Investment Objective</p> <p>The Fund aims to provide capital growth and income in excess of the Bloomberg Barclays Global Aggregate Bond index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities.</p>
	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide in various currencies.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> - up to 10% of its assets in contingent convertible bonds; - up to 30% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and - up to 40% of its assets in asset-backed securities, 	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide in various currencies.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> - up to 10% of its assets in contingent convertible bonds; - up to 30% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and - up to 40% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued

	<p>commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.</p> <p>The Fund may invest in mainland China through Regulated Markets (including the CIBM via Bond Connect).</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps may be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps will not exceed 30% and is expected to remain within the range of 0% to 10% of the Net Asset Value. In certain</p>	<p>worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.</p> <p>The Fund may invest in mainland China through Regulated Markets (including the CIBM via Bond Connect or <u>CIBM Direct</u>).</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps may be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps will not exceed 30% and is expected to remain within the range of 0% to 10% of the Net Asset Value. In certain circumstances this proportion may be higher.</p> <p><u>As of 1 September 2022 the following will become part of the Investment Policy:</u></p> <p><u>The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate Bond</u></p>
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	<p>circumstances this proportion may be higher.</p>	<p><u>index, based on the Investment Manager’s rating criteria. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</u></p> <p><u>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability Information” on the Fund’s webpage, accessed via www.schroders.com/en/lu/private-investor/gfc⁵.</u></p>
	<p>Benchmark</p> <p>The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Barclays Global Aggregate Bond index. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure/exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.</p>	<p>Benchmark</p> <p>The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Barclays Global Aggregate Bond index. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure/exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.</p> <p><u>As of 1 September 2022 the following will become part of the Benchmark section:</u></p>

⁵ For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre> (this website has not been reviewed by the SFC).

		<p><u>The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.</u></p>
	<p>Specific Risk Considerations</p> <p>Long and short positions gained through bond total return swaps may increase exposure to credit-related risks.</p> <p>The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p> <p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.</p>	<p>Specific Risk Considerations</p> <p>Long and short positions gained through bond total return swaps may increase exposure to credit related risks.</p> <p><i><u>As of 1 September 2022 the following risk consideration will apply:</u></i></p> <p><u>The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.</u></p> <p>The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p> <p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.</p>

		<p>Sustainability Criteria</p> <p><u>As of 1 September 2022 the following section will apply:</u></p> <p><u>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</u></p> <p><u>Sustainability factors are assessed – across both sovereign markets and credit allocation decisions – in tandem with macroeconomic factors throughout the Investment Manager’s top-down thematic investment process.</u></p> <p><u>In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country’s inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. The Investment Manager’s approach includes the use of Schrodgers’ proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.</u></p> <p><u>Credit selection decisions are delegated to the Investment Manager’s specialist credit investment teams, who aim to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:</u></p> <ul style="list-style-type: none"><u>– The exclusion of issuers that the Investment Manager deems to have businesses that are materially damaging to the environment or impose unjustifiable social costs; and</u>
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		<p>- <u>The inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager’s sustainability rating methodology.</u></p> <p><u>The primary sources of information used to perform this analysis are the Investment Manager’s proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.</u></p> <p><u>More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures⁶.</u></p> <p><u>The Investment Manager ensures that at least:</u></p> <ul style="list-style-type: none"><u>- 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</u><u>- 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries.</u> <p><u>held in the Fund’s portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market</u></p>
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⁶ For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/sustainability/making-an-impact-through-sustainability> (this website has not been reviewed by the SFC).

		<p><u>capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</u></p>
Japanese Opportunities	<p>Investment Objective</p> <p>The Fund aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section index (TOPIX) (Net TR) after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.</p>	<p>Investment Objective</p> <p>The Fund aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section index (TOPIX) (Net TR) after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.</p>
	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.</p> <p>The Fund seeks to identify and invest in undervalued stocks by estimating their fair value based on predicted returns over the medium to long term.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p>	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.</p> <p>The Fund seeks to identify and invest in undervalued stocks by estimating their fair value based on predicted returns over the medium to long term.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p><u>As of 1 September 2022 the following will become part of the Investment Policy section:</u></p> <p><u>The Fund maintains a higher overall sustainability score than the Tokyo Stock Exchange 1st Section (TOPIX) (Net TR) index, based on the Investment Manager's rating criteria. More details on the investment process used to</u></p>

		<p><u>achieve this can be found in the Fund Characteristics section.</u></p> <p><u>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability Information” on the Fund’s webpage, accessed via www.schroders.com/en/lu/private-investor/gfc.</u></p>
	<p>Benchmark</p> <p>The Fund’s performance should be assessed against its target benchmark being to exceed the Tokyo Stock Exchange 1st Section Index (TOPIX) (Net TR). The Fund’s investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.</p>	<p>Benchmark</p> <p>The Fund’s performance should be assessed against its target benchmark being to exceed the Tokyo Stock Exchange 1st Section Index (TOPIX) (Net TR). The Fund’s investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.</p> <p><i><u>As of 1 September 2022 the following will become part of the Benchmark section:</u></i></p> <p><u>The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.</u></p>
	<p>Specific Risk Considerations</p> <p>The reference in the Investment Policy to a fund investing two-thirds</p>	<p>Specific Risk Considerations</p> <p>The reference in the Investment Policy to a fund investing two-thirds of its</p>

⁷ For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre> (this website has not been reviewed by the SFC).

	<p>of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p> <p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.</p>	<p>assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p> <p><i>As of 1 September 2022 the following risk consideration will apply:</i></p> <p><u>The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.</u></p> <p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.</p>
		<p>Sustainability Criteria</p> <p><i>As of 1 September 2022 the following section will apply:</i></p> <p><u>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.</u></p> <p><u>The Investment Manager performs due diligence on all potential holdings, including meetings with management, and assesses the company’s governance, environmental and social profile across a range of factors. This</u></p>

		<p><u>process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet the sustainability criteria within a realistic time horizon. For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures⁸. The Investment Manager ensures that at least:</u></p> <ul style="list-style-type: none"><u>- 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and</u><u>- 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating</u>
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⁸ For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/sustainability/making-an-impact-through-sustainability> (this website has not been reviewed by the SFC).

		<p><u>rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries.</u></p> <p><u>held in the Fund's portfolio are rated against the sustainability criteria.</u></p> <p><u>For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</u></p>
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