

17 August 2023

Dear Shareholder,

Schroder International Selection Fund ('the Company')— European Alpha Absolute Return merger with Schroder International Selection Fund — Sustainable European Market Neutral

We are writing to advise you that on 27 September 2023 (the "Effective Date"), Schroder International Selection Fund — Sustainable European Market Neutral (the "Merging Fund") will merge with Schroder International Selection Fund — European Alpha Absolute Return (the "Receiving Fund") (the "Merger"). Shareholders in the Merging Fund will receive the equivalent value of shares in the Receiving Fund in place of their current shares in the Merging Fund.

Background and rationale

The Merging Fund and the Receiving Fund have a similar investment approach and risk profile, and given that both funds have a relatively small fund size, we believe that shareholders in both funds will benefit from this Merger. The Merging Fund had approximately EUR 24.4 million under management as of 1st May 2023 while the Receiving Fund had approximately EUR 51.4 million under management as of the same date.

Both the Merging Fund and the Receiving Fund focus on providing a positive return after fees have been deducted by investing in equity and equity related securities of European companies.

Both the Merging Fund and the Receiving Fund have environmental and/or social characteristics within the meaning of Article 8 under the Sustainable Finance Disclosure Regulation (SFDR). However, the Merging Fund's investment objective provides that individual holdings in the portfolio will meet the Investment Manager's sustainability criteria, while for the Receiving Fund sustainability is considered in the context of the overall portfolio. Both the Merging Fund and the Receiving Fund maintain a positive absolute sustainability score based on the Investment Managers rating system, and apply certain exclusions.

Shareholders in the A, A1, B share classes of the Receiving Fund will receive a 25bps management fee reduction (from 1.50% to 1.25%) following the Merger. The Receiving Fund currently has slightly lower on-going charges (the OGC), and we believe that the combined assets under management of the Merging Fund and the Receiving Fund will offer potential economies of scale to both sets of investors in the future. The OGC of the A, A1 and B share classes of the Receiving Fund will reduce on the Effective Date when the management fee reduction is effective.

As a result of this Merger, the extent of the change to the risk/reward profile of the Receiving Fund is non-significant.

The decision to merge the Merging Fund into the Receiving Fund has been made in accordance with Article 5 of the articles of incorporation of Schroder International Selection Fund (the "Company") and the provisions of the prospectus of the Company (the "Prospectus") and is in the interest of both funds' shareholders.

Comparison of the investment objectives and policies

The investment objectives of both the Merging Fund and the Receiving Fund include the provision of a positive return after fees have been deducted by investing in equity and equity related securities of European companies. Both funds seek to deliver focused returns that are uncorrelated to equity markets. Both the Merging Fund and the Receiving Fund may use derivatives for the purposes of achieving investment gains, hedging risks and efficient portfolio management.

The difference between the investment objectives of the Merging Fund and the Receiving Fund is that the Merging Fund seeks to provide a positive return over a period of three years in all market conditions, whereas the Receiving Fund aims to provide a positive return after fees have been deducted over a 12-month period. The gross exposure of contracts for difference for both the Merging Fund and the Receiving Fund will not exceed 250%. The Merging Fund cannot use total return swaps but the Receiving Fund can use such instruments and its gross exposure will not exceed 250%. However the gross exposure to contracts for difference is expected to remain within the range of 0% to 230% of the net asset value for the Merging Fund, compared with 40% to 150% for the Receiving Fund. The gross exposure to total returns swaps is expected to remain within the 0% to 50% range for the Receiving Fund.

Comparison of the risk profiles, share classes and annual investment management fees

The **Summary Risk Indicator** (the “SRI”) is category 3 for both the Merging Fund and the Receiving Fund..

The base currency of both the Merging Fund and the Receiving Fund is EUR. A full summary of which Merging Fund share classes will be merged into which Receiving Fund share classes can be found in the Appendix.

Shareholders in the Merging Fund will be charged the same or lower annual investment management charges (the AMC) in all cases as a result of the Merger. Shareholders in the A, A1, B share classes of the Receiving Fund will receive a 25bps management fee reduction (from 1.50% to 1.25%) following the Merger.

The Receiving Fund currently has the same or slightly lower OGCs, and we believe that the combined assets under management of the Merging Fund and the Receiving Fund will offer potential economies of scale to both sets of investors in the future. The OGC of the A, A1 and B share classes of the Receiving Fund will reduce on the Effective Date when the management fee reduction is effective.

We believe that the combined assets of both funds may offer further potential economies of scale. The table below summarises the AMC and OGCs for the share classes of the Merging Fund and the Receiving Fund.

Share class	Merging Fund		Receiving Fund	
	AMC	OGC ¹	AMC	OGC ¹
A Acc EUR	1.25%	1.91%	1.25% ²	1.66%
A Dis EUR	1.25%	1.91%	1.25% ²	1.66% ^{3, 4}
A Dis GBP	1.25%	1.91%	1.25% ²	1.66% ^{3, 4}
A Acc (USD hedged)	1.25%	1.94%	1.25% ²	1.69%
A1 Acc EUR³	1.25%	2.41%	1.25% ²	2.16% ^{3, 4}
A1 Acc (USD hedged)	1.25%	2.44%	1.25% ²	2.19% ^{3, 4}
B Acc EUR	1.25%	2.51%	1.25% ²	2.16%
B Acc (USD hedged)	1.25%	2.54%	1.25% ²	2.19%
C Acc EUR	0.75%	1.36%	0.75%	1.11%
C Acc (USD hedged)	0.75%	1.39%	0.75%	1.14%
C Dis (GBP hedged)	0.75%	1.39%	0.75%	1.14%
E Acc EUR	0.375%	0.99%	0.375%	0.74%
E Acc (GBP Hedged)	0.375%	1.02%	0.375%	0.77% ^{3, 4}
IZ Acc EUR	Up to 0.75%	1.13%	Up to 0.75%	0.88%
R Acc EUR	Up to 0.75%	1.36%	Up to 0.75%	1.11% ^{3, 4}
R Acc (GBP hedged)	Up to 0.75%	1.44%	Up to 0.75%	1.14% ^{3, 4}
R Acc (USD hedged)	Up to 0.75%	1.39%	Up to 0.75%	1.14% ^{3, 4}

The Receiving Fund and the Merging Fund are also subject to a performance fee as detailed above.

All assets in the Merging Fund will be transferred to the Receiving Fund on the Effective Date. Subsequently to this, the Receiving Fund's investment portfolio will purchase additional exposure. This purchase of

¹ Percentages are per annum and are stated with reference to the net asset value per share. The OGCs include, where applicable, the distribution charge, shareholder servicing charge, investment management fee and other administration costs including the fund administration, custodian and transfer agency costs. They include the management fees and administration costs of the underlying investment funds in the portfolio. The OGCs are as at 30 December 2022.

² The AMC for these share classes is currently 1.50% but will reduce to 1.25% on the Effective Date

³ This share class will be launched [on the Effective Date] to facilitate the Merger.

⁴ This is an indicative figure, derived from the difference in OGC between share classes that exist for both funds.

additional exposure by the Receiving Fund is expected to represent 20% of its net asset value on long positions and 20% of its net asset value on index futures short positions. The costs related to this purchase will be borne by the Receiving Fund and are expected to represent approximately 0.05-0.1 bps of the net asset value of the Receiving Fund.

Dealing cut-off time and settlement periods for subscriptions and redemptions

There is no change to the dealing cut-off time or the settlement periods. The dealing cut-off time of the Receiving Fund is 1.00 p.m. Luxembourg time on the dealing day. Orders that reach HSBC Continental Europe, Luxembourg ("HSBC") before the cut-off time will be executed on the dealing day. The settlement periods for subscription and redemption are within three business days following a dealing day. A key features comparison table of the Merging Fund and the Receiving Fund (including the share class changes) can be found in the Appendix.

Merger

This Merger notice is required by Luxembourg law.

As a result of the Merger, there will be no change of legal entity acting as investment manager, which remains Schroder Investment Management Limited.

Costs and expenses of the Merger

The Merging Fund has no unamortised preliminary expenses and outstanding set-up costs. The expenses incurred in the Merger, including the legal, advisory and administrative costs, will be borne by the Company's management company, Schroder Investment Management (Europe) S.A. (the Management Company).

From 17 August 2023, the Merging Fund's net asset value per share will be adjusted down each time there is a net outflow from the Merging Fund by means of a dilution adjustment. This is in order to account for the market-related transaction costs associated with the disposal of any investments that are not in line with the Receiving Fund's portfolio, or associated with redemption or switch orders received during the period leading up to the Merger. In the event that there are net inflows to the Merging Fund during this period the net asset value per share will be adjusted upwards. The intention of the adjustment is to protect existing and continuing investors in the Merging Fund from bearing all such market-related transaction costs and to apportion these appropriately. However, we do not expect that the transaction costs will be significant and they will not have a material impact on the shareholders of the Receiving Fund and the Merging Fund. Further information relating to dilution adjustments is available in the Prospectus in section 2.4 "Calculation of Net Asset Value". The Prospectus is available at www.schroders.lu.

Exchange ratio, treatment of accrued income and consequences of the Merger

On the Effective Date, the net assets of the Merging Fund will be transferred to the Receiving Fund. For the shares of each class that they hold in the Merging Fund, shareholders of the Merging Fund will receive an equal amount by value of shares of the corresponding class in the Receiving Fund. The exchange ratio of the Merger will be the result of the ratio between the net asset value of the relevant class of the Merging Fund and the net asset value or initial issue price of the relevant class of the Receiving Fund as of the Effective Date. While the overall value of the shareholders' holdings will remain the same, shareholders may receive a different number of shares in the Receiving Fund than they had previously held in the Merging Fund.

Any accrued income relating to the Merging Fund's shares at the time of the Merger will be included in the calculation of the final net asset value per share of the Merging Fund and will be accounted for after the Merger in the net asset value per share of the Receiving Fund. The Receiving Fund will not bear any additional income, expenses and liabilities attributable to the Merging Fund accruing after the Effective Date.

You will become a shareholder of the Receiving Fund, in the share class which corresponds to your current holding in the Merging Fund. A full summary of which Merging Fund share classes will be merged into which Receiving Fund share classes can be found under section "Existing and New Share Class Mapping" in the Appendix.

Any accrual of performance fees in the share classes of the Merging Fund will be crystallised on the Effective Date and will be paid to the investment manager of the Merging Fund. As at the date hereof, no performance fees are to be paid to the investment manager as the performance of the share classes of the Merging Fund is below the applicable high water mark.

The first dealing date for your shares in the Receiving Fund will be 28 September 2023, the related deal cut-off for this dealing day being 1.00 p.m. Luxembourg time on the dealing day.

Rights of shareholders to redeem/switch

If you do not wish to hold shares in the Receiving Fund from the Effective Date, you have the right to redeem your holding in the Merging Fund or to switch into another Schroder fund at any time up to and including the dealing day on 20 September 2023.

HSBC will execute your redemption or switch instructions in accordance with the provisions of the Prospectus free of charge, although in some countries local paying agents, correspondent banks or similar agents may charge transaction fees. Local agents may also have a local deal cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach HSBC before the 1.00 p.m. Luxembourg time deal cut-off on 20 September 2023.

Subscriptions or switches into the Merging Fund from new investors will not be accepted after deal cut-off on 17 August 2023. To allow sufficient time for changes to be made to regular savings plans and similar facilities, subscriptions or switches into the Merging Fund will be accepted from existing investors until 30 August 2023 (deal cut-off at 1.00 p.m. Luxembourg time).

Tax status

The conversion of shares at the time of the Merger and / or your redemption or switch of shares prior to the Merger might affect the tax status of your investment, so we recommend that you seek independent professional advice in these matters.

Further information

We advise shareholders to read the Receiving Fund's key investor information document (the KID) which accompanies this letter. This is a representative KID for the Receiving Fund, showing information for a standard share class (A share class). It is, together with the KIDs of all other available share classes, available at www.schroders.lu. The Prospectus is also available at that address. An audit report will be prepared by the approved statutory auditor in relation to the Merger and will be available free of charge upon request from the Management Company. We hope that you will choose to remain invested in the Receiving Fund after the Merger. If you would like more information, please contact your local Schroders office, your usual professional adviser or the Management Company on (+352) 341 342 202.

Yours faithfully,

The Board of Directors

Appendix

Key Features Comparison Table

The following is a comparison of the principal features of the Merging Fund and the Receiving Fund. Both are sub-funds of the Company. Full details are set out in the Prospectus and shareholders are also advised to consult the KID of the Receiving Fund.

	Merging Fund – Schroder International Selection Fund –Sustainable European Market Neutral	Receiving Fund – Schroder International Selection Fund – European Alpha Absolute Return
Prospectus Investment Objective and Policy	<p>Investment Objective - prospectus</p> <p>The Fund aims to provide a positive return after fees have been deducted over a three year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.</p>	<p>Investment Objective - prospectus</p> <p>The Fund aims to provide an absolute return after fees have been deducted by investing directly, or indirectly through derivatives, in equity and equity related securities of European companies.</p> <p>Absolute return means the Fund seeks to provide a positive return over a period of 12 months in all market conditions, but this cannot be guaranteed and your capital is at risk.</p>
	<p>Investment Policy - prospectus</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies. The Fund may (exceptionally) hold up to 100% of its assets in Money Market Investments or cash. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.</p> <p>The Fund adopts a Market Neutral strategy which aims to deliver returns that are not closely correlated to returns of the European equity markets.</p> <p>The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the</p>	<p>Investment Policy - prospectus</p> <p>The Fund is actively managed and invests at least two-thirds of its assets directly, or indirectly through derivatives, in equity and equity related securities of European companies.</p> <p>'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.</p> <p>The investment strategy of the Fund and the use of derivatives may lead to situations where it is considered appropriate that prudent levels of cash and Money Market Investments will be maintained which may represent (exceptionally) 100% of the Fund's assets. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes),</p>

	<p>Fund's webpage, accessed via www.schroders.com/en/lu/private-investor/gfc.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. 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/disclosures.</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, and warrants (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. Contracts for difference may be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 250% and is expected to remain within the range of 0% to 230% of the Net Asset Value. In certain circumstances this proportion may be higher.</p> <p>The Investment Manager will only use derivatives (including short positions) in a way that is consistent with the Fund's sustainability criteria (please see the Fund Characteristics section for more details).</p>	<p>countries, regions, industries or currencies, Investment Funds and warrants (subject to the restrictions provided in Appendix I).</p> <p>The Fund intends to use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may have synthetic long and short positions and may be net long or short when long and short positions are combined. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps on a temporary basis in market conditions including but not limited to during periods of market crisis or unrest. Contracts for difference will be used on a continuous basis. Contracts for difference and total return swaps will be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of total return swaps and contracts for difference will not exceed 250% and is expected to remain within the range of 0% to 50% of the Net Asset Value for total return swaps and 40% to 150% for contracts for difference. In certain circumstances this proportion may be higher.</p> <p>The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>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.</p>
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	<p>Benchmark - prospectus</p> <p>The Fund's performance should be assessed against its objective of providing a positive return over a three year period in all market conditions, and compared against the MSCI Europe (Net TR) index and Euro Short Term Rate (or an alternative reference rate). The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. In relation to the MSCI Europe (Net TR) index, the Fund's investment universe is expected to overlap materially with the components of the comparator 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 MSCI Europe (Net TR) index. The Investment Manager will invest in companies or sectors not included in the MSCI Europe (Net TR) index. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.</p> <p>The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.</p> <p>Any 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 - prospectus</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 MSCI Europe (Net TR) index and the Euro Short Term Rate (or an alternative reference rate). The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. In relation to the MSCI Europe (Net TR) index, the Fund's investment universe is expected to overlap materially , directly or indirectly, with the components of the comparator 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 MSCI Europe (Net TR) index. The Investment Manager will invest in companies or sectors not included in the MSCI Europe (Net TR) index.</p> <p>The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. Any 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>The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.</p>
	<p>Sustainability Criteria - prospectus</p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>The Investment Manager targets long positions in companies that have a positive impact on society and/or demonstrate best in class corporate behaviours, and short positions in</p>	<p>Sustainability Criteria - prospectus</p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is a combination of quantitative and qualitative</p>

	<p>companies that are having a negative impact on society and/or demonstrate poor corporate behaviours.</p> <p>Corporate behaviours are assessed based on a company's relationship with its key stakeholders, specifically employees, regulators, customers, suppliers and local communities. This is combined with an assessment of governance, management quality and environmental impact. Impact on society is assessed using a proprietary tool which rates a company's overall performance on sustainability issues. This analysis provides the Investment Manager with a framework to examine a company's overall sustainability profile and identify those companies with high standards of corporate behaviours and a positive impact on society relative to peers.</p> <p>The Investment Manager also seeks to ensure that the portfolio is low carbon by assessing issuers' carbon emissions and carbon intensity levels.</p> <p>The primary inputs into the investment process are internal bottom-up fundamental research, Schroders' proprietary sustainability tools and third party ESG research.</p> <p>The Investment Manager ensures that at least 90% of companies in the Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of European companies.</p>	<p>inputs, gained from Schroders' proprietary sustainability tools as well as the Investment Manager's own research and analysis.</p> <p>These factors are considered as part of the investment decision making process to determine which companies the Investment Manager includes within the Fund.</p> <p>The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.</p> <p>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/disclosures.</p> <p>The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> – 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 – 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, <p>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.</p>
	Investment Objective - KID	Investment Objective - KID

KID Investment Objective and Policy	<p>The fund aims to provide a positive return after fees have been deducted over a three year period by investing in equities of European companies which meet the investment manager's sustainability criteria.</p>	<p>The fund aims to provide an absolute return after fees have been deducted by investing directly, or indirectly through derivatives, in equities of European companies. Absolute return means the fund seeks to provide a positive return over a period of 12 months in all market conditions, but this cannot be guaranteed and your capital is at risk.</p>
	<p>Investment Policy - KID</p> <p>The fund is actively managed and invests at least two-thirds of its assets in equities of European companies. The fund may (exceptionally) hold up to 100% of its assets in money market investments or cash. This will be limited to a maximum of six months (otherwise the fund will be liquidated). During this period, the fund will not fall within the scope of MMFR. The fund adopts a market-neutral strategy which aims to deliver returns that are not closely correlated to returns of the European equity markets.</p> <p>The fund maintains a positive absolute sustainability score, based on the investment manager's rating system.</p> <p>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.</p> <p>The fund invests in companies that have good governance practices, as determined by the investment manager's rating criteria. The investment manager may also engage with companies held by the fund to challenge identified areas of weakness on sustainability issues. More details on the investment manager's approach to sustainability are available in the prospectus and on the website www.schroders.com/en/lu/private-investor/strategiccapabilities/sustainability/disclosures</p> <p>The fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes),</p>	<p>Investment Policy - KID</p> <p>The fund is actively managed and invests at least two-thirds of its assets directly, or indirectly through derivatives, in equities of European companies.</p> <p>'Alpha' funds invest in companies in which the investment manager has a high conviction that the current share price does not reflect the future prospects for that business.</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 the prospectus).</p> <p>The fund may (exceptionally) hold up to 100% of its assets in cash and money market investments. The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. The fund may use leverage and take short positions.</p> <p>The fund maintains a positive absolute sustainability score, based on the investment manager's rating system.</p> <p>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</p>













	countries, regions, industries or currencies, investment funds and warrants (subject to the restrictions provided in the prospectus). The fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. The investment manager will only use derivatives (including short positions) in a way that is consistent with the fund's sustainability criteria.	
	<p>Benchmark - KID</p> <p>The fund's performance should be assessed against its objective of providing a positive return over a three year period in all market conditions, and compared against the MSCI Europe (Net TR) index and Euro Short Term Rate (or an alternative reference rate). The comparator benchmarks are only included for performance comparison purposes and do not determine how the investment manager invests the fund's assets. In relation to the MSCI Europe (Net TR) index, the fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the fund. Please see appendix III of the fund's prospectus for further details.</p>	<p>Benchmark - KID</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 MSCI Europe (Net TR) index and the Euro Short Term Rate (or an alternative reference rate). The comparator benchmarks are only included for performance comparison purposes and do not determine how the investment manager invests the fund's assets. In relation to the MSCI Europe (Net TR) index, the fund's investment universe is expected to overlap materially , directly or indirectly, with the components of the comparator 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 MSCI Europe (Net TR) index. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the fund. Please see appendix III of the fund's prospectus for further details.</p>
Investment Manager	Schroder Investment Management Limited	Schroder Investment Management Limited
Summary Risk Indicator (SRI)	Category 3	Category 3
KID Risk Disclosures	Currency risk: The fund may lose value as a result of movements in foreign exchange rates.	Concentration risk: The fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This

	<p>Sustainability Risk Factor: The fund has environmental and/or social characteristics. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria. The fund may invest in companies that do not reflect the beliefs and values of any particular investor.</p> <p>Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.</p> <p>Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.</p> <p>Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.</p> <p>IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.</p> <p>Derivatives risk: Derivatives may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.</p>	<p>may result in large changes in the value of the fund, both up or down.</p> <p>Sustainability risk: The fund has environmental and/or social characteristics. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. The fund may invest in companies that do not reflect the beliefs and values of any particular investor.</p> <p>Currency risk: The fund may lose value as a result of movements in foreign exchange rates. Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.</p> <p>Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.</p> <p>Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.</p> <p>IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.</p> <p>Derivatives risk: Derivatives may be used to manage the portfolio efficiently. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.</p>
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Profile of the Typical Investor	The Fund may be suitable for Investors who are seeking positive absolute return over the medium to longer term (at least 5 years) by investing in an actively managed portfolio. The Investor must be able to accept temporary capital losses due to the potentially volatile nature of the assets held.	The Fund may be suitable for Investors who are seeking positive absolute return over the medium to longer term (at least 5 years) by investing in an actively managed portfolio. The Investor must be able to accept temporary capital losses due to the potentially volatile nature of the assets held.
Fund Category	Absolute Return Fund	Absolute Return Fund
Fund Currency	EUR	EUR
Launch Date	07.03.2012	11.02.2014
Fund Size (at 1 May 2023)	EUR 24.4m	EUR 51.4m
Dealing Cut-off Time and Settlement Periods for Subscriptions and Redemptions	13:00 Luxembourg time on the Dealing Day 3 Business Days from the relevant Dealing Day	13:00 Luxembourg time on the Dealing Day 3 Business Days from the relevant Dealing Day
Risk Management Method	Absolute Value-at-Risk (VaR)	Absolute Value-at-Risk (VaR)
Initial Charge	A: up to 5.00% of the total subscription amount A1: up to 4.00% of the total subscription amount B: None C: up to 1.00% of the total subscription amount E: up to 1.00% of the total subscription amount R: None IZ: None	A: up to 3.00% of the total subscription amount A1: up to 2.00% of the total subscription amount B: None C: up to 1.00% of the total subscription amount E: up to 1.00% of the total subscription amount R: None IZ: None
Management Fees by share class	A: 1.25% per annum A1: 1.25% per annum	A: 1.25% per annum ^{5 6} A1: 1.25% per annum ^{5, 6}

⁵ This is an indicative figure, derived from the difference in OGC between share classes that exist for both funds.

⁶ This figure reflects that the AMC for these share classes will reduce from 1.50% to 1.25% on the Effective Date.

	B: 1.25% per annum C: 0.75% per annum E: 0.375% per annum R: Up to 0.75% per annum IZ: Up to 0.75% per annum	B: 1.25% per annum ^{5, 6} C: 0.75% per annum E: 0.375% per annum R: Up to 0.75% per annum IZ: Up to 0.75% per annum
Ongoing Charges by share class (as at 30 December 2022)	A: 1.91% A (hedged): 1.94% A1: 2.41% A1 (hedged): 2.44% B: 2.51% C: 1.36% C (hedged): 1.39% E: 0.99% E (hedged): 1.02% IZ: 0.92% R: 1.36% R (hedged): 1.39%	A: 1.66% ^{5 6}  A (hedged): 1.69% ^{5 6}  A1: 2.16% ^{5 6}  A1 (hedged): 2.19% ^{5 6}  B: 2.19% ^{5 6}  C: 1.11%  C (hedged): 1.14%  E: 0.74%  E (hedged): 0.77% ⁵  IZ: 0.88%  R: 1.11% ⁵  R (hedged): 1.14% ⁵ 
Performance fee details	20% of the outperformance over the Euro Short-Term Rate, subject to a High Water Mark as per the methodology in section 3.1 of the Prospectus. Performance fee will be applied to all Share Classes except the I Shares.	20% of the outperformance over the Euro Short-Term Rate, subject to a High Water Mark as per the methodology in section 3.1 of the Prospectus. Performance fee will be applied to all Share Classes except the I Shares.

The Merger will also apply to any additional share classes launched prior to the Effective Date.

Existing and New Share Class Mapping

Merging Fund – Schroder International Selection Fund – Sustainable European Market Neutral		Receiving Fund – Schroder International Selection Fund – European Alpha Absolute Return	
Existing share classes held	ISIN	New share classes to be held	ISIN
A Accumulation EUR	LU0748063764	A Accumulation EUR	LU1046234768
A Distribution EUR	LU0748064069	A Distribution EUR	LU2631238164
		A Accumulation USD Hedged	LU1065104314
A1 Accumulation EUR	LU0801193649	A1 Accumulation EUR	LU2630825839

A1 Accumulation USD Hedged	LU2426183435	A1 Accumulation USD Hedged	LU2630825912
B Accumulation EUR	LU0801193722	B Accumulation EUR	LU1046234842
B Accumulation USD Hedged	LU2426183518	B Accumulation USD Hedged	LU1067351400
C Accumulation EUR	LU0748063848	C Accumulation EUR	LU0995125985
		C Distribution EUR	LU1651856921
C Accumulation GBP Hedged	LU2426183278	C Accumulation GBP Hedged	LU0995126108
C Accumulation USD Hedged	LU2426183609	C Accumulation USD Hedged	LU0995126363
		E Accumulation EUR	LU1056829218
E Accumulation GBP Hedged	LU0811997443	E Accumulation GBP Hedged	LU2630825672
		I Accumulation EUR	LU1388563725
		IZ Accumulation EUR	LU2016215183
R Accumulation EUR	LU2426183195	R Accumulation EUR	LU2630825326
R Accumulation GBP Hedged	LU2426183351	R Accumulation GBP Hedged	LU2630825599
R Accumulation USD Hedged	LU2426183781	R Accumulation USD Hedged	LU2630825755